Benefit Drivers for Digital Transformation

Value Drivers
- Pricing enhancements
- Market share gains
- Acquisition of new customers

Value Drivers
- Redundant cost elimination
- Improved asset utilization
- Working capital reduction
- Transaction cost reductions

Value Drivers
- Reduced time to market
- Lead time reduction (manufacturing and suppliers)
- Inventory pooling
CRIMM the Research Arm of IIMM signed a historic MOU with ABBS, a leading B-School in Bangalore.” Signing of this MOU shall further the cause of cutting edge research in supply chain being undertaken by the scholars of the southern region. Dr. Goutam Sengupta, Vice Chancellor of Techno India University, West Bengal and Joint Chairman of CRIMM with Mr. Ashok Dasgupta, Joint Chairman of CRIMM, Mr. G.K.Singh National President IIMM, Dr. M.K.Bhardwaj, Chairman Board of Studies (BOS) IIMM and Mr. Ajitesh Basani, Executive Director ABBS executed the MOU.
From the Desk of The National President

Dear Professionals,

Greetings from National President!!!

I am pleased to apprise you that, AICTE has extended the recognition of PGDMM and PGDSCM&L Programs for another academic year 2019-20. Advertisements for admissions in the July 2019 session have already been rolled out in the leading national/regional newspapers.

Recently, Board of Studies meeting was conducted at New Delhi, where important deliberations took place about the quality of the course curriculum and delivery of various programs of IIMM. I am thankful to BOS members for sparing their valuable time and making the BOS meeting successful. I am also thankful to Dr. M K Bhardwaj, Chairman BOS and his team for organising the BOS meeting and extending the hospitality during our stay at Delhi.

CRIMM, the research arm of IIMM, on 26th May 2019, has signed an MOU with ABBS, a leading B-School in Bangalore, to promote cutting edge researches in Supply Chain Management particularly to tap the huge talent pool in southern part of our country.

I am also pleased to inform you that IIMM and Techno India University, West Bengal, shall jointly launch very soon a Post Graduate program of MBA in Supply Chain Management, which is first of its kind and different than other Generic MBA Programs.

By the time, this Journal reaches you, one of the Entrance Examination for PGDMM and PGDSCM&L Program would have been over, however, another test is scheduled for 14th July 2019. I request all the IIMM Branches and Members to put all out efforts in enrolling maximum no. of students in PGDMM and PGDSCM&L Programs.

I look forward for your continued support.

Regards

G. K. SINGH
National President - IIMM
e.mail : s_gksingh@yahoo.co.in
From the Desk of Chief Editor

Dear Members,

Logistics over the time has evolved from a mere service activity – delivering the right goods to the right place at the right time – to become a key ingredient in achieving the efficiency and profitability. The cost of trading whether by sea, land or air forms a critical component of the final price of a commodity. An efficient logistics system reduces this cost, providing a competitive edge and propelling economic activity.

Efficiency of the logistics sector plays a key role in improving country’s economy by streamlining the logistics costs, reduced delivery time, enhancing competition at national and international level, improve safety and public health, and support India’s successful fulfilment of international commitments towards climate change and providing huge Employment Opportunities. Enhancing the efficiency of logistics can create high quality economic growth and employment opportunities. Efficient logistics are a cornerstone for the continuation of India’s economic development over the coming decades.

India is currently the fastest growing major economy globally, with GDP growing by 7% in 2018–2019 and expected to accelerate to 7.3% in 2019-20. As a result of this rapid growth, India is poised to become the third largest economy in the world by 2030. The robust growth in manufacturing envisioned through the “Make in India” initiative will demand high levels of logistical efficiency, which means that goods must not only be produced, they must also be efficiently transported to markets at reasonable prices.

Logistics Efficiency will also benefit farmers through reduction in loss of wastage of produce during transportation to markets. It is important to note that, where OECD countries bear the loss of 1-2% of agriculture produce during transit/transportation, India loses 40% of Agricultural production to wastage in the Supply chain. Reducing this wastage could provide both an income boost to farmers and also lower overall commodity prices, creating better access to high quality food for Indian Citizens.

World Bank research in Latin America showed that reducing the share of logistics costs in the final price of goods by 14% can increase demand for those goods by 8–18% and increase employment in that sector by 2.5%–16%. Such an impact is particularly important for micro small and medium enterprises, which employ over 110 million Indian citizens.

Improved Logistics can bring about positive environmental changes by reducing the carbon emission, which is currently 7% due to Logistics activities. Improving the efficiency of the Logistics will result in overcoming the existing barriers within Good transportation, helping India to meet its International Climate commitments while simultaneously reducing the pollution in India.

Changing business equations and ever growing competition have brought in new challenges and opportunities for logistics & supply chain professionals. Globalization, shortened product lifecycles, stringent regulations and volatile markets have made efficient & effective Logistics Management a prerequisite for better business activities, growth and better environmental conditions.

(DR. M.K. BHARDWAJ)
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“Ancient silk route” was the first inter-continental route connecting East and West in 130 B.C. at the time of the Han Dynasty which has given a boost to ancient supply chain and logistics primarily by promoting trade along with the exchange of culture, knowledge and know-how between Europe and Asia for more than 600 years.

In spite of the world’s highest population and fastest growing economy for the last decade, China witnessed saturation of domestic and export markets in 2010. To mitigate this and take out China’s growth model to other countries, China’s President Xi Jinping has introduced the Belt and Road initiative (BRI), formerly known as the “One Belt, One Road (OBOR)” aiming addition of $2.5 trillion business in a decade time with the nations along the proposed routes. BRI has focused on needy countries which have a higher population and disposable income but lack of organised markets and connectivity to boost the business.

The BRI has comprised of two main components: a) The Belt refers to the roads/rails/pipelines in the regions of Asia and Europe lands; and, b) The Maritime Road, which comprises maritime routes connecting the Association of Southeast Asian Nations (ASEAN) countries. All previous projects and routes between China and other countries have been absorbed in BRI.

BRI is most ambitious and gigantic supply chain concept to build and upgrade hard infrastructure like highways, railways, ports, energy and electricity generation and soft infrastructure like the signing of trade agreements, aligning of regulatory standards and improving financial throughout Asia and Europe designed to enrich the economies of China and 65 partner countries. BRI has generated enthusiasm and hopes in the world but also generated scepticism and worries due to China’s expansionist attitude.

**Aim & vision**

- Cost and Time Optimization of transportation to World’s potential markets.
- Infrastructure and equipment manufacturing development in BRI partner countries by providing low-interest loans with a clause to use Chinese resources.
- Inclusion of China’s currency Renminbi (RMB) in global reserve currency and the International Monetary Fund (IMF’s) Standard Drawing Rights (SDR) Basket.
- To secure energy supply, development of sea routes and pipelines for its ever-increasing energy needs.
- A win-win strategy of growing partner countries market and economy which in turn will increase demands of Chinese goods and services.

This renewed and ambitious idea — potentially involving an area equal to 55 per cent of the global GDP, 70 per cent of the global population and 75 per cent of the known energy reserves — could, and is, reshaping global supply chains.

**BRI Partners- 65 countries**

**Strategies**

1. To take out its growth model to other partner countries to lead the industrial trade pattern optimization which can give a boost to China by getting new business
2. Adjustment strategy to facilitate bilateral trade, international production co-operation, cross-border Electricity and E-commerce business, promoting technology with traditional logistics to form global and professional thinking keeping
national strategic interest in the centre of the thought. Following are the key strategies.

Challenges/Threats

- Damaging bilateral trade and China’s image due to non-completion of projects in Cost-effective and timely manner in partner countries as it involves importing equipment from China and execution of the project. E.g. Incomplete tasks of Poland’s A2 Highway and electricity grid of Eskisehir in Turkey.

- Lack of stubborn project selection procedure with Chinese banks for Project Financing may cause high-risk investments which may not give expected returns. e.g. Railways and Road Projects in Central Asia

- Lack of transparency in China’s Economic and Political stand on BRI leads to diversion of investment from BRI to other countries—such as India, Russia, or the United States—against China’s new initiative.

- BRI financing was initially planned from multilateral institutions like AIIB, ADB and BRICS Bank, however, the majority of investment came from China Development Bank and Exim Bank which leads to financial sustainability risk i.e. Investments in Pakistan and Venezuela

- Political and Economic Instability in partner countries leads to challenges for BRI as newly elected Governments are asking more details and reassurance from China looking to its expansionist view and make the process slower.

- Debt Trap Diplomacy of China leads to coverage of natural resources and strategic assets in case of non-repayment of loans by partner countries. It gave a major setback to BRI and raise the alarming situation in the world. Ie. Military and logistics access to Hambantota port of Sri Lanka.

- Lack of inclusion of the local element in BRI Project leads to friction in partner countries as BRI is majorly focusing on usage and employment to Chinese resources.

Benefits to China from BRI:

- Creating opportunities to generate higher returns on China’s vast foreign exchange reserves

- Helping China’s State-Owned Enterprises (SOEs) in construction and engineering to deploy abroad in search of more work and higher returns

- Ensuring China’s excess industrial capacity is exported to regional markets and gain returns

- Expanding China’s export markets, and sending abroad more goods with higher value-added components, such as machinery and telecom equipment

- Boosting the internationalisation of China’s currency renminbi (RMB) to the global reserve currency.

Benefits to partnering nations

- Opportunity to increase Infrastructure through economic investments and enterprise support under BRI.

- To build a transportation facility within the country which can increase trade movement and give a boost to the economy e.g. China has invested $14 billion in Eastern Africa Kenya’s Standard Gauge Railway (SGR). SGR is 485km single-track railroad and acts as one of the most significant projects in Kenya.

- A second most important parameter is energy and electricity generation through BRI which can help to build industries and enterprises. BRI’s energy project in Pakistan — the Nehru Tim Jielu Hydropower Station. It is estimated to generate 5.15 billion kilowatt-hours with an investment of nearly about $4.3 billion in Pakistan where there are more than 500 million-megawatt deficits on the national grid. This project will light up Pakistan and also assists in the nation’s economic development.

- Improvement in GDP through bilateral trade with China and multilateral trade in partner countries Economics for mutual economic benefits. For example, Kazakhstan is located in Central Asia and during pick winters there is barely any fruits and vegetables grow there. BRI connects Kazakhstan and China for cross-border trade of vegetables which provides Kazakhstan’s people with their basic needs with an estimated trade of more than $11 billion annually.

- Partner countries have natural resources but due to unavailability of technology and equipment for excavation, they couldn’t take benefits of it. BRI helps to develop infrastructure for excavation and distribution of natural resources. E.g. Under BRI, China has provided a loan of approximately $2.5
China’s expansion strategies – Other countries’ reaction

Russia: Initially it has a negative view which later on turned into limited access for mutual development without sharing any project ownership to China and limited access to Chinese people. Russia is also promoting Greater Eurasian Partnership (GEP) through which Russia wants to show its own grand vision to the world and expects China will support the same with BRI.

Europe: Europe sees China as a big threat as China completes with Europe in international markets based on low price and high quality. Further, the USA’s non-supportive attitude in Trump administration forces Europe to become united, aggressive and competitive.

India: India eyes the BRI with suspicion since its announcement as it attacks the sovereignty of many countries by long term debt trap policy. India turned down China’s invitation to the inaugural Belt and Road Forum in May 2017 and has not even attended 2nd BRI summit in 2019. On the contrary, India is trying to improve business relationships with its Asian neighbours, has revived Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), building infrastructure by partnering with Japan in Africa, South Asia, and Southeast Asia.

United States: Unites States has shown legitimate concerns over BRI’s transparency and corruption issues.

Conclusion – A supply chain game plan to boost the economy and becoming superpower

After understanding BRI in details along with its strategic and geopolitical impacts on the global economy, first and foremost motive of China is to become next superpower by influencing the world through the development of a global supply chain network.

BRI is not merely a Chinese-funded infrastructure project and although major chunk owned by State-Owned Enterprises (SOEs), the involvement of many Private Owned Enterprises (POE) and Multi-National Companies (MNC) is expected in near future.

BRI’s opportunities will become more significant and it shall be reviewed for a longer timeframe of 10 to 15 years. Many projects run under higher risks of repayment but surely gives higher returns and strategic importance to China on longer terms.

BRI is a collaborative ecosystem that to date is focused on infrastructure and energy, but over the period of time will evolve to concentrate on trade, manufacturing, the internet, tourism and other aspects.

BRI is a tool to push China’s economy to the next level and create a more equitable global system for trade.
IMPROVE OPERATING SYSTEM MATURITY IN SUPPLY CHAIN

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A n efficient supply chain is to bring in efficient, and to satisfy customer, and maintain the highest level of efficiency in supply chain, but all supply chain are created to be equal. Lacking the visibility and coordination in supply chain, organization with decentralized procedure of working, should not be considered to be inefficient, since many organization with their process in purchasing, distribution, may have taken up automation to improve the performance efficiently.

Organization usually makes payment to the suppliers in time, and customers promptly and also hold adequate inventory to meet the demand, and deliver the orders in supply chain. Each organization operate independently, in supply chain, and in many cases the process may be duplicated which includes procurement, ordering, inventory, sales. In different organization functions may transact with each customer issues, like the Purchase order, payments, which usually govern the goods and human capital resources in the organization.

The operations do create a change in operational waste, and an inability to bring certain disturbance, and poor forecasting when these simple routine matters become independent, as coordination becomes necessary and decentralized part in the organization, with lack of visibility and coordination which reach a maturity stage in supply chain. Bringing the organization together in supply chain, integrating of supply chain teams from various processes of stages into a centralized function reduces redundancy, coordinates planning, and provides a single centre to respond to supply chain maturity system.

Planning is a crucial, and plays an important role in supply chain, and the relationship to various affects, that customer are facing, and supplier will be borne with, in order to streamline the process, a customer oriented process, and a collaborative integration is to be associated with supply chain in which future demand planning, reduce customer oriented problems, and predict demand coordinate delivery. In the end improve the operating system maturity by customer planning, inventory levels, customer needs, and align the supply chain with the needs of marketing and sales.

Sourcing in supply chain suggests having collaborative practices with 1.knowledge of inventory, delivery, and bringing in good agreements and contracts. Maturity in supply chain suggest that advance sourcing through electronic techniques, online purchase orders, auctions, supplier data exchanges, and acting upon next generations of vendor managed inventory.

Buy or make in supply chain maturity is suggestion to lean manufacturing, plant manufacturing, re-engineering, and functional production oriented with Enterprise Resource Planning system programs, quality, bringing in improvement in supply chain.

Distribution system in supply chain is collaborative practices associated with, knowledge of delivery relating to correct delivery, inventory information, and bringing in long term relationship with supply chain. The maturity of supply chain into Electronic delivery relating to up to date practices of on-line, auctions, customer exchanges, e-procurement, and automated vendor managed inventory.

Returns in supply chain maturity is the product return from customer end user, and also maintaining the confidence of customer of the product returns supply chain which is also responsible for reusable containers, empty boxes, pallets from customers and uses maintaining an improvement in maturity level of improvement in supply chain. To build an adaptive, and agile, supply chain with rapid planning, and integrated system in an improved operating maturity system in supply chain as an organization should deploy dynamic planning capabilities, and continually bring in better operation methods with response to agility to meet change in demand in supply chain.

The adaptability in supply chain calls for a continuous improvement in a dynamic supply chain, with the adjustment of stocks, inventory production or services that rapidly respond to market changes in an improved maturity system in supply chain. These adoptions in supply chain minimize stock across the supply chain network. It is found that results are to be obtained for better visibility, collaboration, in value chain, with reliable and predictable sourcing supply, manufacturing, transportation, warehousing, and distribution with best decision making and analytics.

In Procurement the digital big data, and analytics are the changes, opportunities expected to change in the improvement of operating system in maturity in supply chain. This will accelerate the decision making and will focus on strategies, and improve production in supply chain. The application of mobile which will be powered by Artificial Intelligence, machine learning, will be a quick and easy to process, source and order, material, products, and bring in control of supply chain initiative in improving the maturity in supply chain.

Procurement maturity has different offers of frame work for end to end assessment in supply chain. The cloud computing based solutions will tap the expertise
process, knowledge, and also the digital capabilities which will be used for building, designing, transforming and maintaining procurement functions in supply chain.

Procurement maturity is designed for each component, material, product or service at the level of maturity. The capability of the improvement in procurement, operations, and the system of maturity in supply chain is to be coincided with: 1. Strategy and policy: 2. Process: 3. Organization and management: 4. Information and the decision taken 5. Data

All the components have maturity level and is liable for improvement in supply chain, which enables assessment and benchmarking in the organization planned level of capability, and maturity of the product, material, component or service. The ultimate set up in supply chain is the consensus on strategic planning for the procurement supply, and the assessment in the course of improved maturity in supply chain.

Supply chain network connected and working together to control, manage, and improve flow of materials, products, information, from suppliers to end customers which also includes manufacturers, and suppliers, transporters, warehouses, retailers, and customers, supply chain flows forward, and information flows both backward forward in a maturity improved supply chain.

To the improvement of maturity in supply chain lean management which employs continuous improvement, efforts which focuses on eliminating waste and excess material which are lying in stock.

Agile supply chain responds to the rapid changes, continually, beginning to gain the momentum of global markets, which is being dynamic, growth oriented, and customer focused, bringing improvement maturity in supply chain. The characteristics of product technology in supply chain which undergo standardization innovation, and for a smaller product, also undergoes the product life cycle, of introduction growth maturity, and decline when developed as a product.

The most effective of lean supply chain is the long term cost reduction in product, process, re-engineering, and having closer relationship with suppliers, so as to bring in improvement, and maturity in supply chain. Warehousing function is a critical function in supply chain, coordinating the flow of goods, materials, flow coordinating between suppliers and customers. Warehouse has an essential role in logistic supply chain, and this ensure high levels of customer service, and the overall performance in supply chain. The management of warehouse may intensely affect the performance of warehouse if proper order pick-up and technical efficiency is denied and development for assessment of warehouse function for better performance and improve the maturity in supply chain.

The improvement of maturity in supply chain is that self assessment should lead to improved performance for improving the maturity levels in performance practices. The maturity of improvement in supply chain warehouse is to improve the decision making and strategic thinking. Warehouse performance includes productivity, flexibility, and quality of outbound, inbound shipments, operational aspects, which includes labor utilized, value of added services, warehouse size, stock keeping units handled, and the maturity of improvement in supply chain activities in bringing relationship between improvement and performance.

Excellence in supply chain performance is often characterized by terms of capability, and maturity from different types of process 1. Supply 2. Production 3 inventories: 4 customers. Each of these views in supply chain can be analyzed at different level of operational level and strategic points, and bring in improvement in maturity on supply chain. Digitization of supply chain is dramatically changing today’s’ performance in managing, improving the maturity in supply chain. The main drivers behind this development are customer’s requirement, and technology to bring improved maturity in supply chain.

Customization of product faster, deliveries, transparency on a global scale, competition, fulfillment, and sustainable scale, competitive fulfillment, and sustainable effort to bring in improved maturity in supply chain. Material planning, in supply chain, customer order, preference can prioritize their daily operation by using cross-functional (different areas of team) in supply chain information to improve the maturity of supply chain.

Key performance indicators are intended to structure the desire information in supply chain, in different dimensions, such as customer service, cost, assets creation, and ideally key performance indicators are aligned across the reporting of levels in supply chain, and identify the root causes of irregularity in a maturity in supply chain.

Centralization of logistic functioning is beginning to improve the maturity of efficiency, productivity, performance, and thus enabling better anticipation of demand in supply chain. Integration with supply chain in logistic function will focus on increased customer service, and affect procurement, and manufacturing, productivity improvement, and cost reduction are achieved through connection in supply management, and third party logistic providers will be able to improve the maturity in supply chain.

Centralization of logistic functioning is beginning to improve efficiency, and productivity, performance, thus enabling better anticipation to demand. Integration with supply chain in the logistic function will focus on increased customer service, and affect procurement, manufacture, and productivity improvement, cost reduction, that are achieved through 3PL provider connections, and will be able to improve the maturity in supply chain management. In supply chain maturity improvement in supply the key decisions area, strategy control, process, material responses, information and organization control, as they are designed with simplicity, and they become the key feature with input of strategic decision, giving the best practices in supply chain operations.
“NEXT GENERATION SMART FACE OF E-FOOD CART - SUPPLY CHAIN TAILING IN INDIA”

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Abstract: With the advent of e-commerce supply chain boom in India, the Indian consumer has seen his life being touched by e-commerce supply chain in almost every vertical from online shopping to ticket bookings, healthcare, etc. One of such verticals is e-food industry, which has very efficiently utilized the e-commerce platform in the online food review and food ordering business. This is a vertical, which has brought almost every restaurant in India under a single roof in the hands of the consumer.

Nowadays, mobile devices with wireless technologies has emerged into the hospitality industry especially restaurants with the advancements of food ordering systems. Most restaurants use manual ordering process involving pen and papers in which noting down the orders can be quite slow and can caused errors in noting down the customers’ orders. Based on Quick Service Restaurants (QSRs) statistics, young generations usually order food online which caused the online ordering traffic to grow 300% faster than dine-in traffic.

Online ordering means a website or mobile based application designed to use in the food delivery ecosystem. It is similar to ordering a book, phone or garment through the e-commerce websites like Flipkart, Amazon, Snapdeal etc. This arena is gaining popularity because the labour cost is highly reduced. It thus helps restaurant owners in some or the other way who are already facing manpower shortage. A small scale new start up will get favoured, since the online ordering system will provide necessary visibility to the food outlet. The customers can visit restaurant search and discovery websites like Zomato, Swiggy, Pizza Hut Delivery, Just EatFoodpanda , Tinyowl, etc.

Key Words: (Online Food Ordering, E-Commerce, Supply Chain, Industry)

I. Introduction: With the coming of the 21st century, we have entered an “e” generation era. The Internet has generated a tremendous level of excitement through its involvement with all kinds of businesses starting from e-Commerce, e-Business, e-CRM, e-Marketplace, e-Payment, e-Entertainment, e-Ticketing, e-Learning, to e-Citizen or, e-Governement.

Services are websites that feature interactive menus allowing customers to place orders with local restaurants and food cooperatives. Much like ordering consumer goods online, many of these allow customers to keep accounts with them in order to make frequent ordering convenient. A customer will search for a favourite restaurant, choose from available items, and choose delivery or pick-up. Payment can be amongst others by credit card or cash, with the restaurant returning a percentage to the online food company.

II. Objectives of the Research Study
1. To study the concept of Mobile food delivery applications
2. To analyze the benefits and challenges of the food delivery apps for restaurants
3. To analyze the benefits and challenges of the food delivery apps for the customers.

Present study focuses on studying innovative strategies of some of the promising as well as successful Indian food tech companies like Swiggy, Zomato and foodpanda, which are not just playing the business game but winning it as well.

III. Online food ordering is the process of ordering food through the restaurant’s own website or mobile app, or through a multi-restaurant’s website or app. A customer can choose to have the food delivered or for pick-up. The process consists of a customer choosing the restaurant of their choice, scanning the menu items, choosing an item, and finally choosing for pick-up or delivery. Payment is then administered by paying with a credit card or debit card through the app or website or in cash at the restaurant when going to pickup. The website and app inform the customer of the food quality, duration of food preparation, and when the food is ready for pick-up or the amount of time it will take for delivery.

The online food ordering market increased in the U.S with 40 percent of U.S adults having ordered their food online once. The online food ordering market includes foods prepared by restaurants, prepared by independent people, and groceries being ordered online and then picked up or delivered.

IV. History of online e-Food cart: This is a picture from a 2018 Pizza Hut pizza box, which describes the first online food sale. The first online food ordering service, World Wide Waiter (now known as Waiter.com), was founded in 1995. The site originally serviced only northern California, later expanding to several additional cities in the United States. GrubHub was founded in 2004. By the late 2000s, major pizza chains had created their own mobile applications and started doing 20-30 percent of their business online. With increased smartphone penetration, and the growth of both Uber and the sharing economy, food delivery startups started to receive more attention. In 2010, Snapfinger, who is a multi-restaurant ordering website, had a growth in their mobile food orders by 17 percent in one year.

V. Instacart was founded in 2012. In 2013, Seamless and Grubhub merged. Uber Eats launched in Los Angeles, California in 2014. By 2015, online ordering began overtaking phone ordering. In 2015, China’s online food ordering and delivery market grew from 0.15 billion Yuan to 44.25 billion Yuan. As of September 2016, online delivery accounted for about 3 percent of the 61 billion U.S. restaurant transactions.

VI. Indian Food App Scenario With the boom in digital industry across the globe, it’s had its impact on the Indian economy too. The online food ordering firms have sprouted up in bulk. The market size of food in India is expected to reach Rs. 42 lakh crore by 2020, reports BCG.

Presently, the Indian food market is around $350 billion. The space is coming up with a lot of innovation catering to their customer convenience, satisfaction and retention. This has also built room for a lot of new players, who are targeting specific groups of people. Many new players joining the segment with innovative business models such as delivering food for health conscious people, home cooked meals, etc. Food tech is the hot talk in the startup town. After technology start-ups have made their mark in the e-commerce, taxi & real estate sectors, now the ever-hungry Indian entre-preneurs are looking to satiate the appetite of others. Food tech is a vast market and food delivery start-ups are just a part of it. Various apps in the Indian market are: Food Panda, Zomato, Swiggy, Box8, Fasoods... Fast food delivery apps.

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</tr>
</tbody>
</table>
VII. Benefit of food delivery app
1. Easy to use
2. Flexible payments
3. Real time tracking
4. Loyalty points
5. Effective customer support

VIII. Zomato
Zomato initially named as Foodiebay was started in 2008 by Mr. Deepinder Goyal. It is a restaurant searching platform providing in-depth details with autonomous reviews and ratings. Foodiebay, the initial name was changed to Zomato in November 2010 to increase their reach among people. Vision To expand to more 50 countries

Success Factor:
First mover advantage
Strong content platform
Efficient employees
Good rating mechanism and social platform
Funding from experienced source

Strategy of Zomato: Zomato works with keen interest on various strategies to achieve their goal. It includes

Financial strategy: To increase their fund and revenue
Marketing strategy: To tap their customers from across the globe
Growth strategy: To grow continuously and increase their customers and page traffic
Globalization strategy: To expand themselves across the whole globe as a leading service provider

Focusing on digital marketing channels for potential customers

Acquire the competitors: To be the largest resource in food supply market, Zomato bought Urbanspoon for $52 million to enter US, Canada and Australia. Simpler review and rating system

Integrating other tools in their marketing strategy has given them wonderful hike in their business.

Sales promotion: Coupons and price-offs

Direct Marketing: Phone call and direct mail

IX. Swiggy Founders: Swiggy was founded by Nandan Reddy, Sriharsha Majety, and Rahul Jainini in August 2014. Nandan Reddy aged 29 and Sriharsha Majety aged 31 both are alumni of BITS Pilani while Rahul Jainini aged 31 is an alumnus of IIT Kharagpur. Swiggy began its Journey from Bengaluru with six delivery executives and 25 restaurants on its platform. In the time of 3 years, it has scaled up with over 6,000 delivery executives across India in more than 8 cities like Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Chennai, Kolkata, and Pune.

X. Swiggy Business Model:
1. wiggy has two major revenue streams.

Swiggy Funding: Swiggy is backed by one of best investors available in the market. Swiggy has raised a total of 75.5 million dollars in funding from various investors, including Bessemer Venture Partners, Norwest Venture, Accel Partners, SAIF Partners, Harmony Venture Partners, RB Investments and Apolito.

Swiggy Marketing Strategies: Swiggy’s marketing strategy consists of both online and offline marketing campaigns. It promotes its campaigns via Facebook, Twitter, Youtube, Pinterest, and Instagram. Some of its campaigns include Second tomom, #Diwali GhayAayi, #Sing with Swiggy and Know your food series of pictures and food walks in a local area. The company has successfully built its brand awareness and connects with its audience through these channels. Their Facebook page is quite active with regular updates, averaging to one post a day. Swiggy uses its Social media not only for campaigning but to engage with its customers from solving the grievances to taking the feedback. Impact on restaurant. Customer Experience

1. It is a fact, if your customers like your service, they will come back and also recommend you to their world. They will become your best advertisers. So, you need to commit to a service that keeps them coming back.

2. People don’t want to spend 5-6 minutes as they place their order over the phone by looking at the ordering catalogue and pausing whatever work they were doing.

3. One thing online ordering will certainly do is “up your game” when it comes to providing a better

Marketing Strategy
Featured and user friendly website
Global mobile app
service by making the ordering process convenient for your customers.

4. When your customers pick up their smartphones to use your online ordering system, they will do it at their own convenience.

5. Remember, this time they will look at your online menu more carefully and select items after reading descriptions from the menu. Your customers can order their favourite food by clicking on the screen a few times and they do it from the comfort of their homes.

Service Types

XI. Restaurant-controlled: In restaurant-controlled online food ordering, the restaurants create their own website and app or choose to hire a vendor such as orderTalk. If they choose to create their own website, they make sure to purchase a proprietary software that manages the orders efficiently, meaning it has the capability to manage different orders at once. When they hire a vendor, the restaurant pays for a monthly fee or percentage-based fees. The vendor covers the developmental costs.

The restaurants choose if they will offer the service of delivery or just pick-up. If they choose to offer delivery, they hire their own employees who do the delivery. Papa John’s is one of the restaurants that created their own Papa John’s system, website, and app, and do their own delivery. In 2010, they redesigned their website and launched mobile apps for iPhones, iPads, iPods, androids, Blackberrys, and Windows phone.

The preexisting delivery infrastructure of these franchises paired with the online ordering system. In 2010, Papa John’s International announced that its online sales had exceeded $2 billion.

Independent: In this case, a person cooks and offers meals or kits via their website, which are then directly sent to consumers. The consumer chooses which meal and how many meals they want sent to their office or home, and pays depending on the meals or the program they are interested in. People choose to order meals from other people for different reasons: not wanting or having time to cook, wanting to eat home-cooked meals, or to lose weight by eating healthy foods. Examples of this type of service include DineWise, NutriSystem, Chef’s Diet, etc.

XII. Food Cooperatives: Some food cooperatives like Macomb Co-op allow members to place orders of locally grown and/or produced food online and pick up and pay for their orders at a central location.

XIII. Online Food App Services: Sometimes restaurants partner with online food app services to place their restaurant in their application. In this case, restaurants just focus on preparing the order. The app services provide the riders who deliver the food to the consumer.

XIV. Zomato: allows the customers to see what restaurants are near them, along with the ratings the restaurant has received in their food.

XV. Uber Eats: delivers the food in special lunch bags that make sure the food remains hot or cold. It allows the customers to monitor the progress of the food, as well as, the location of the driver delivering the food. Uber Eats has expanded to the Middle East, Europe, and Africa.

XVI. Talabat: allows the customers to request their food deliveries at different times and shows them food menus with pictures on them.

In March 2018, the Toronto based mobile App Ritual adopted an aggressive strategy of sign up incentives to capture a significant portion of the City of London young professional lunch market. At the time of writing, the long term success of this strategy remains unclear. Ritual however has also attracted controversy by allowing random strangers to access users precise work place location and eating habits.

XVII. Food Riders: The riders for the app services such as Uber Eats, Foodora, Grubhub, etc. are independent contractors because they have the flexibility to choose when they work. As independent contractors, they earn $6 an hour or more. In Australia, specifically riders for the food app of Foodora, consider themselves employees because they sometimes work full time hours, are required to wear uniforms, and do set shifts.

Food delivery riders do not usually get any insurance cover or sick pay, since they are independent contractors. Deliveroo chose to give the riders insurance in the United Kingdom. The insurance
consisted of the rider paying $1.85 per week, which covers his or her days of sickness. Deliveroo will pay the riders 75% of their income in days off because of injury caused at work.

Food delivery riders are not provided with protective gear or means to help themselves if they get injured on the job, therefore, they have asked for more improve safety standards. Deliveroo gave riders a helmet with a GoPro camera to record any problems they may face, specifically with criminals. The riders have the opportunity to raise safety concerns about delivery areas in the app.

The top 10 most popular mobile apps for food delivery in India that are helping to serve tastier lives at home.

- Swiggy
- Uber Eats
- Domino’s
- JustEaT
- TastyKhana
- Zomato Order
- Foodpanda
- Pizza Hut
- Faaso’s
- FoodMingo

Food Delivery Startup in Bangalore: Bangalore, the technology capital of India is one among the busy cities in the country. There are a large number of Food Delivery startups in Bangalore operates by taking orders online and delivering food on doorsteps. Below we are listing some other popular startup which provides food online in Bangalore. Many of them operating only in particular areas, check the location and place your order to try some new dishes. Some of the prominent Food Delivery Startups in Bangalore:

- Brekkie
- Fresh Menu
- Ready Bowl
- Entrée
- Chefkraft
- Masala Box
- 48 East
- Box8

To order food online in Bangalore from the above, you need to check their respective website or mobile app.

Food Delivery Startup in Mumbai: Mumbai is the business capital of India which opt to all latest trends. Online Food ordering takes a huge leap in the city over a short period of time. Apart from popular apps like Swiggy and Zomato, there are plenty of other startup companies provides the best services.

Some of the popular Food Delivery Startups in Mumbai:

- Holachef
- Burgundy Box
- Pizza Express
- iChef
- Box8
- Fresh Menu
- Calorie Care

To order food online in Mumbai from the above, you need to check their respective website or mobile app.

Food Delivery Startup in Delhi: India’s capital Delhi is other top cities follows a trend of online food ordering. With easy access to restaurants via mobile app and website, a user can able to place an order from anywhere. There is a large number of new food delivery startup growing in Delhi over the years. Some of the Famous Food Delivery Startups in Delhi:

- FoodCloud
- Fresh Menu
- Frsh
- Tpot
- Pizza Express

To order food online in Delhi from the above, you need to check their respective website or mobile app.

VIII. Conclusion: Users were significantly interested in online ordering, especially the young population of India. In the Indian market people still prefer to buy food in the conventional way that is by going and eating food ordering at the restaurants. Slowing the trend is shifting towards online ordering of food and the cause for it is the easy availability of internet at a low cost and more use of electronic devices by people around.

The findings suggest a shifting trajectory towards online mediums of food ordering. This however, compliments the food delivery trend of the Indian market. With the online facility available on mobile devices make the trend being set at a much higher pace. The variety of population indulging in this behaviour is also alarming, with a number of youth one end and adults above 55 years of age on the other. This suggests the versatility of the population on this medium. Undeniably, it is the online medium that is the trend setter in this case. The perfect example of “easy made easier” is what this can be called.

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RELEVANCE OF PURCHASING MANAGERS’ INDEX IN ECONOMIC GROWTH AND EMPLOYMENT IN THE MANUFACTURING SECTOR

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Abstract: This study analysed the relevance of Purchasing Managers’ Index (PMI) in the economic growth and employment. The manufacturing PMI compiled and released by ISM USA, HIS Markit, and Nikkai India PMI were taken for discussion. Secondary data was taken for analysis alongside the side of Boom-bust business cycles. The PMI variables like Output, new orders & backlogs, New orders, purchasing and supply chains, Supply chains and input prices, Input prices and output prices, Stocks of finished goods, Stocks of finished goods, Employment, and new orders and future output were analysed. The correlation among PMI, PPI, CPI and GDP were also discussed. The government of new initiatives such as NPE, PMP, FDI in defence sector, incentives to MSMEs, M-SIPS and custom duty exemption in selected were also highlighted. It is also noticed that PMI indicators considered, model selected and developed, industry considered and seasonality factors considered are going to play a vital in establishing the correlation among PMI, PPI, and CPI indicators. However, PMI is considered as strong leading indicators of macroeconomic to predict macroeconomic.

Keywords: purchasing managers’ index, economic growth, employment, manufacturing sector

Introduction: Manufacturing has emerged as one of the high growth sectors in India. The manufacturing plays a major role both in economic growth and employment (Zalk, 2004). The government of India’s ‘Make in India’ initiative has further placed India on the world map as a manufacturing hub and give global recognition to the Indian economy. Under the Make in India initiative, the government of India aims to increase the share of the manufacturing sector to the GDP to 25% by 2022 from 16%, and to create 100 million new jobs by 2022. India has been one of the most attraction destinations for investment in the manufacturing sector. The companies such as GE, Siemens, ABB, Toshiba, Boeing and Rafael, have either set up or are in the process of setting up their facilities in India. India’s manufacturing Purchase Managers’ Index (PMI) was at 52.6 in March 2019, indicating an expansion and growth path.

The development of Purchase Managers’ Index (PMI) is one of the indexes that is used to predict manufacturing trends and activities. PMI is one of the most closely monitored indexes in the world by economic agencies including central banks and local businesses in analysing production control, inventory management and effective marketing (Khundrakp& George, 2012, Ursel 2008). The results of monthly PMI surveys have a scale between 0 and 100. An overall index of above 50 indicates possible expansion of the sector, while a value of below 50 indicates contraction in activities. A sustained value below 50 and close to 42 indicates a possible recession in the economy (Barnes, 2015). If the PMI is at 50, which indicates that no change. The PMI consists of 5 sub-indexes namely business activity, new sales orders, employment, supplier deliveries and inventories (Buro of Economic Research, 2015). PMI is compiled and released monthly by Institute for Supply Management (ISM), USA. Other companies also produce PMI numbers, including IHS Markit Group, which puts out the PMI for various countries outside the U.S. PMI, Producer Price Index (PPI), and Consumer Price Index (CPI) three key macroeconomic indicators. PPI is an index to measure the change trend in prices of industrial products and the degree of the change and it is the upstream index in the national economy. CPI is an important index to reflect the change trends of the final part of national economy and the consumer price. It is also an index to measure the world inflation (deflation) and it is in the downstream part of the national economy running.

PMI in India: The statistic shows the Purchasing Managers’ Index (PMI) in India from February 2018 to February 2019. An indicator of the economic health of the manufacturing sector, the Purchasing Managers’ Index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. An index value above 50 percent indicates a positive development in the industrial sector, whereas a value below 50 percent indicates a negative situation. In February 2019, the value of the Purchasing Managers’ Index in India stood at 54.3 points.
The Nikkai India Manufacturing Purchasing Managers’ Index rose to 52.7 in May from 51.8 in April, remaining above the 50 point mark that separates expansion from contraction (The Economic Times, June 4th, 2019). This fall is due to mild pressure on poor month of car sales, evidence of weak consumption sentiment.  

**Literature Review:** Chien & Morris (2016) also analysed this relationship in China and also found a strong positive correlation with a coefficient of 0.73. The importance of the PMI is its timeliness as a leading economic indicator, as the index is released on a monthly basis and available 2 to 5 months ahead of manufacturing data.  

Soni (2014) states that the PMI has a positive relationship with economic growth and an increase in the PMI could predict employment growth in the economy.  

Laubscher (2003) states that PMI and the manufacturing data produced by StatsSA has an historical positive correlation of 0.83. A study by Chien and Morris (2016) found a positive correlation between PMI and economic growth in the US with a coefficient of 0.75, which confirmed findings by Koenig (2002) in an earlier study.  

Harris (1991) analysed PMI as a reliable tool to forecast economic activity and found evidence of usefulness for using the index for the prediction of economic activities. He has also found that the PMI has leading indicator qualities with a general time lead of approximately 12 months.  

A number of studies found PMI as a significant indicator for forecasting economic growth and manufacturing activities (Kuepper, 2016; Tsuchiya, 2012; Banerjee &Marcellino, 2006; Lindsey &Pavur, 2005).  

It is evident there is strong relationship between the PMI, Economic growth & Employment. The relationship between PMI, economic growth and employment is explained with the help of boom-bust business cycles. Economic expansion usually leads to employment growth and a rise in demand for commodities and raw material. This situation leads to new orders for firms to manufacture and output increase. This growth in demand could also lead to supply backlogs at manufacturing firms with high levels of demand. Suppliers are under pressured to deliver due to backlogs in production. Prices of goods and services will rise due to excess demand with accompanied rise in wages which leads to an increase in inflation over time. Rise in wages leads to increased cost of production. At this point the central bank (RBI) needs to respond the rising inflation by increasing interest rates, which usually results in a decrease in consumer spending and the low growth in the economy. When the slow-down in demand has reached a certain level, interest rates could again be lowered, leading to increased economic growth (Thomas & Francois, 2017).  

**PMI Variables and Data Interpretation:** The PMI level is subjected to inventory levels, new orders, production, supplier deliveries and employment status of businesses in the manufacturing sector. The PMI is also used to acquire information when evaluating the current business status of manufacturing firms (IHS Markit, 2017). Table 1 below shows the PMI variables and its effect on economic growth and employment.  

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<thead>
<tr>
<th>PMI Variables Identified</th>
<th>PMI Data Interpretation</th>
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<tr>
<td><strong>1. Output, new orders &amp; backlogs</strong></td>
<td>Changes in new orders generally drive growth of economic output. PMI data can also help identify deviations in this relationship, such as leads and lags. These often occur due to delays in the adjustment of production to demand, especially in the manufacturing sector. In the service sector, output is measured by business activity and new orders are measured through changes in incoming new business. Backlogs of work/business outstanding vary according to the amount of new orders/incoming new business received by manufacturing/service sector companies. When new orders/incoming new business rises, supply imbalances can develop and backlogs of work/business outstanding accumulates.</td>
</tr>
<tr>
<td><strong>2. New orders, purchasing and supply chains</strong></td>
<td>The amount of goods bought by manufacturers for use in the production process varies directly with the volume of incoming new business. Supplier performance varies according to the amount of goods bought by manufacturers for use in the production process. When demand for inputs rises, capacity</td>
</tr>
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constraints develop and delivery times lengthen (the delivery times index falls below 50), resulting in an inverse relationship between purchasing and speed of supplier delivery.

3. Supply chains and input prices

When suppliers become busier and bottlenecks arise, demand exceeds supply and a “seller’s market” results, driving up input prices. A direct relationship therefore exists between manufacturing output and raw material (input) prices. However, changes in input prices will lag changes in output.

4. Input prices and output prices

A close relationship exists between input prices and output charges, as companies tend to raise the prices charged for their goods/services when the average cost of their inputs increases. The differential between output charge inflation and input price inflation can provide information on firms’ ability to pass on higher costs to clients (pricing power). The differential between output charge inflation and input cost inflation is also a ‘barometer’ of pressure on profit margins in the manufacturing/service sectors.

5. Stocks of finished goods

Changes in stocks of finished goods lag changes in output…with output driven by changes in order books less changes in stock levels.

6. Employment

Employment directly correlates with changes in output (or business activity in the service sector). Any divergences in the relationship provide important information on capital: labour intensity and productivity growth. Over time, output will tend to grow at a faster pace than employment as industry becomes increasingly capital intensive and reduces hours worked per unit of output. If employment grows at a faster pace than output, productivity will decrease.

7. New orders and future output

New orders and output expectations are closely correlated. If new order growth strengthens, firms are likely to become more optimistic regarding projected output levels, and vice versa.


Figure 1 shows below the Boom and bust economic cycles over period of time versus GDP. Boom and bust economic cycles involve:

i. Rapid economic growth and inflation (a boom), followed by:

ii. A period of economic contraction / recession (falling GDP, rising unemployment)
Discussion: 1% increase in the PMI will result in a 0.37% increase in employment in the manufacturing sector. This was also confirmed by Laubscher (2003) and HIS Markit (2017).

In the short run PMI is not significant, thus it does not affect manufacturing employment in the short-run, but GDP has a significant and positive effect on the employment levels.

Though all the three macroeconomic indicators such as PMI, PPI and CPI are important, the PMI ahead in manufacturing than PPI and CPI. The results not only verify that the manufacturing PMI is a comprehensive macroeconomic leading indicators, but also proved that the transmission mechanism of price plays an important role in the macroeconomic.

But, some of research findings reveal that there is no correlation of macroeconomic indicators caused by the changes in the economy into consideration.

Daode Zhang etal (2009) studied the relationship among the CPI, PMI and the consumer confidence index (CCI) and found that CCI has a positive impact on PMI, while CPI has a negative impact on the CCI. It is also found that there is a strong correlation between PMI and GDP, and PMI can predict GDP among Chinese and US manufacturing firms.

Recent initiatives by the Government: The government of India has taken several initiatives to promote a health environment for the growth of manufacturing sector in the country.

Some of the key initiatives and development are National Policy on Electronics (NPE), custom duty exemption for 35 machine parts to encourage the production of mobile handsets, increased export incentives to MSME sector by 2 percent, phased manufacturing programme (PMP) giving a push to the domestic manufacturing of mobile handsets, FDI in defence and adoption of strategic partnership model, and approval on modified special incentive package scheme (M-SIPS) up to an incentive commitment of limit of Rs.10,000 crore, implementation of GST has made India a common market with a GDP of USD 2.5 trillion, developing industrial corridors and smart cities (100 smart cities in phased manner) and setting up of cold chain infrastructure to give a boost to agricultural sector.

Conclusion: The manufacturing sector is still the main driver of economic growth in worldwide. Let it be the manufacturing sectors of USA, China, South Africa and India. Secondary data was taken for analysis.

Three important macroeconomic indicators like PMI, PPI AND CPI considered for this study. The correlation among all the three indicators were established. PMI is a leading indicator than PPI and CPI. Further, PMI has positive correlation on employment, whereas, it has negative correlation in short run. It is also seen that economic growth causes employment and the other is where PMI causes employment in manufacturing. Growth in the manufacturing sector should be promoted by means of incentives for production, employment and exporting of goods and services. However, this study has certain limitations in terms of scope and other macroeconomic indicators. Future study should focus on PMI as leading indicator for other macro-economic variables such as interest rates and inflation.

References:
Indian agriculture is very different and unique in many ways from the other countries. We have good agricultural lands in abundance, water, bio-diversity and a very large population accustomed to agriculture as a way of life and India is better placed in bringing about agriculture-led prosperity than any other countries.

However, the person depending on agriculture earns less than the persons earning in other industries. This means agriculture has not been allowed to evolve yet, like other businesses, in India.

As the other Indian Industry, Agriculture in India needs some critical management inputs, specifically that of Supply Chain Management (SCM). The Agricultural business can realise its full potential by applying the principles of SCM - collaboration among various stakeholders, non-exploitative vertical and horizontal integration, market reforms, precision farming, contract farming, demand-led diversification and the extensive and intensive use of information technology for real-time communication across the chain.

India is having a large market for multinational companies, but the farmers have limitations on moving freely with their produce due to many controls. The subsidies in support of prices and fertilisers are not serving the long term interests of farmers. The small holdings have their own merits – like – emotional involvement, opportunities to introduce appropriate intensify in farming, collaboration with neighbours for soil conservation and composite farming, etc. These farmers fit into the supply chain concept very well.

The WTO Agriculture Agreement provides a framework for the long-term reform of agricultural trade and domestic policies, with the aim of leading to fairer competition and a less distorted sector.

The Agreement covers:
1. Market access — the use of trade restrictions, such as tariffs on import
2. Domestic support — the use of subsidies and other support programmes that directly stimulate production.
3. Export competition — the use of export subsidies and other government support programmes that subsidize exports.

The WTO has brought in a qualitative change to global trade in agricultural commodities. What is needed is an efficient, value-adding link from the producer to the consumer. Globalised trade is a unique opportunity where some risks need to be managed.

The market for processed foods is yet to establish fully. The limitations imposed by lack of cold chains and road network also add to the constraints. The network in India is still primitive and exploitative. The important thing is to bring about an intensive collaboration among producers, processors, logistics providers, wholesalers and retailers to supply what the consumers in India and abroad want cost effectively.
Horizontal collaboration among policymakers, researchers, extension agencies, technology companies and financial institutions add strength to the chain. The whole chain and not just production should be defined as agriculture.

Technology inputs form an integral part of SCM. The emerging ones are gene revolution, eco-technology, information network and geographical information system. Biotechnology offers options for crop diversification for food, medicine and energy, as also cost effective pest management. Traditional innovations need to be rediscovered and applied. Organic farming is a traditional practice with a new appeal and there is a promising annual share in the global market.

Even the private sector is already looking at the contract farming (this is already in place from several years and still to be picked up) for catering the high-end domestic market and the export demand. There is greater awareness among industrialists that agriculture offers attractive values and can no longer be ignored.

The supermarket chain Wal-Mart takes care of its suppliers’ needs for finance and logistics even as it encourages continuous cost cutting to serve the consumer. The supply chain performs both physical and market functions, which means understanding market requirements, converting raw material into finished products and moving them from production centres to consumption points in an effective and efficient manner and fulfil consumer expectations.

SCM can be derived from the concept of social capital. It demands enlightened self-interest where all the links in the network work towards maximising the value for all, including the customer, in a collaborative way.

The key messages of supply chain successes are: Customer rank quality, price, specification, timely delivery and relationships with suppliers as their priorities.

Role of Government:

The Government of India has announced a policy for agriculture over the first two decades of the 21st century. A mechanism that educates and persuades farmers on market-led diversification of land use into vegetables and fruits, medicinal and aromatic plants, forestry and floriculture is necessary. There are many government policies with a new vision incorporating the SCM principles for the improvement of agriculture business.

A commodity approach to fixing the complete chain is the most appropriate strategy whether it is mango in Telangana and Andhra Pradesh, litchi in Bihar, pineapple in Tripura, etc. Typically, the chain is broken or is weak in several links. Contract farming can help overcome this. An optimal mix of the area and commodity approach is appropriate. While basics of agriculture such as land, water, forest management and infrastructure would fall under the area approach, diversification, precision and organic farming, processing, marketing and inputs could be addressed by the commodity approach. Contract farming, unlike corporate farming, brings farmers into the mainstream of the economy. It reduces the market risk. The farmer is emotionally attached to the land under contract farming.

Forward contracts enhance supply chain efficiencies by providing both knowledge and material inputs. This facilitates hassle-free availability of credit from banks at competitive rates. Contract farming permits control over standards of production demanded by niche markets, both domestic and foreign. Government needs to play the role of facilitator by developing required policy framework, attracting investment and creating infrastructure.

Participation of private sector:

Liberalisation has made agri-business and partnership with farmers the next logical frontiers to conquer economic growth. There are a few exemplary initiatives of the private corporate sector, which promise sustained increase in farm income. These include the Rallis Kisan Kendras, the eChoupals of ITC, etc. All of them place a premium on the use of information technology. The key is to understand what the customer wants - where, when, how much and at what price, and respond to it accurately, speedily and with minimum flow of materials. The private investment in agricultural sector is on the rise and several agribusiness companies have developed new models to reach to farmers.

Conclusion:

We should plan on how to make the agricultural sector more attractive for private sector to invest. Faster growth in agriculture tomorrow will definitely happen because of rising private investment in agriculture today. The supply chain concept is still initial stages in Indian agriculture. However, the need for the same, at this stage, is more than ever before because of the challenges unleashed on the competitiveness of the Indian agribusiness by globalization. An essential first step in the process is to assess the current supply chain capability. A beginning has been made and large number of Indian agricultural based organizations today, are realizing the importance of developing and implementing a comprehensive supply chain strategy - and then linking that strategy to deliver bottom line results. A great news is that many youngsters opting for farming over the corporate jobs!!

Ø A request to the readers of this Article: To please forward your valuable views and perceptions to the Author and Editor of MMR, to improve on the future articles.

References: Internet and The Senior Associate’s Review.
There are lot of Confusion regarding Export to Nepal / Bhutan. In this Article an attempt has been made to clarify those Critical Questions. Let’s first understand basics and then move to clarifications.

**Definition of Exports**: Definitions of Export of Goods & Export of Services are shown below:

In case of Export of Goods the Goods must be Physically moved from India to a Place outside India. Where as in case Export of Services below mentioned all the Five Conditions should be fulfilled.

Note :as per IGST (Amendment) Act, 2018, Following added to Sub-Clause (iv) of Sec 2(6) ................. “or in Indian rupees wherever Permitted by the Reserve Bank of India”

Now the Clause reads as

“The Payment for such service has been received by the supplier of service in Convertible Foreign Exchange or in Indian rupees wherever Permitted by the Reserve Bank of India”

This provides great relief to the Service Exporters relaxing Stringent Condition of Receiving only in Convertible Foreign Exchange. Now Service Exporters are allowed to Receive Payment in Indian rupees wherever Permitted by the Reserve Bank of India.

Now Let’s Answer the Queries :

**Goods Exported to Nepal & Bhutan**

Payment Received in Indian Currency Whether Treated as Exports?

As per Section 2 (5) of IGST Act, 2017, Export of Goods means “Taking Goods out of India to a place outside India”.

Since Goods are Not taken Out of India Physically, but Moved from China, it is not Fulfilling Condition in the definition, therefore it is Not Treated as Exports.

**Export Order Received from Nepal / Bhutan**

Goods Sourced from China & Delivered Directly to Nepal / Bhutan Order Fulfilled & Payment Received Whether Treated as Export?

As per Section 2 (5) of IGST Act, 2017, Export of Goods means “Taking Goods out of India to a place outside India”.

Whether Export to Nepal / Bhutan Can be Made Through LUT?

The acceptance of LUT for supplies of Goods or Services to Nepal or Bhutan will be permissible irrespective of whether the payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with the applicable RBI guidelines.

Refer following Notifications

Notification No. 37 /2017 – Central Tax, 4th October, 2017

Circular No. 88/2017-GST; Dated the 4th October, 2017 amended vide

Circular No. 88/07/2019-GST; Dated the 1st February, 2019

Condition of Receipt of Export Proceeds in case of Service Exports in Foreign Exchange had been Removed vide Notification No. 42/2017- Integrated Tax(Rate) dated 27th October, 2017

Whether Exemption on Supply of Services Associated with Transit Cargo to Nepal and Bhutan?

Notification No. 30 / 2017, Central Tax (Rate), 29th September, 2017 was released to amend the Notification No. 12/2017- Central Tax (Rate), dated the 28th June, 2017 by exempting tax on Supply of services associated with transit cargo to Nepal and Bhutan

A client based out of Nepal / Bhutan, send his products to a Registered Person in India for Testing / Repair. Testing / Repair is done in India. Kindly clarify if GST is payable / applicable on the same?

Goods Temporarily Imported into India for Testing / Repairs and are Exported After Testing / Repairs, the Place of Supply shall be Outside India. Subject to other...
Conditions of Definition as per Section 2 (6) of IGST Act, 2017 is Satisfied, it is Treated as Export of Service (Even though Consideration is Received in India Currency).

By Plain reading of Sec 13(3)(a) of IGST Act, may Confuse by treating the Place of Supply in India, but read with Second Provo to the Section clear the Confusion, there by treating the Place of Supply Outside India.

Sec 13(3)(a) of IGST Act, services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:

Provided  ..................

Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs and are exported after repairs without being put to any other use in India, than that which is required for such repairs;

Commentary – Place of supply in case of any treatment or process (which may not come within the four corners of the definition of job work) done on goods temporarily imported into India and then exported without putting them to any other use in India, to be outside India.

Shipper from Nepal / Bhutan, Export to outside India. In that case some operation process done in Kolkata, India. Whether the Services Provided by Service Provider (C&F Agent / Forwarder) in India to Shipper in Nepal / Bhutan is Treated as Export of Service?

As per Sec 13(2) of IGST Act, the Place of Supply of Services shall be the Location of the Recipient of Services

Since the Services are Provided from India to the Recipient in Nepal / Bhutan, the Place of Supply is Outside India. Subject to other Conditions of Definition as per Section 2 (6) of IGST Act, 2017 is Satisfied, it is Treated as Export of Service (Even though Consideration is Received in India Currency).

For Export to Nepal / Bhutan how to make the Invoice? Do we need to charge IGST or we need to make under L.U.T without Paying GST? Whether we can get Export Refunds?

As per Sec 13(9) of IGST Act, the Place of Supply of Services of Transportation of Goods, other than by way of mail or courier, shall be the Place of Destination of such Goods. That means the Exporter has Two Option

1. Export Under LUT / Bond without Payment of GST & Claim Refund of Accumulated ITC
2. Export on Payment of IGST and Claim Refund of IGST

For more Details go through the PPT in Slideshare@ below Link
https://www.slideshare.net/SNPanigrahiPMP/export-to-nepal-bhutan-by-sn-panigrahi

Also can be seen in Youtube @ Below Link
https://www.youtube.com/watch?v=rK_j9CHXInY&t=3s

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

● ● ●
The Small and Medium Enterprises (SMEs) are known for their agility and stretching a rupee to its limit. Across all verticals, stumping most SMEs is the access to markets and funds. Access to markets has hit Indian SMEs the hardest as very few effective sales channels are at their disposal, accentuating their inability to stretch and compete with big marketing budgets.

With e-commerce around for several decades now, web as a sales channel held the promise of democratising the market access to small and big enterprises equally, at least in principle. In reality though, SMEs have not been able to exploit e-commerce to its full potential. There are several reasons: Most SMEs in India simply didn’t go online because technology was not easy to understand and people were unaware of the benefits that could accrue.

Even today, several manufacturing and services-led SMEs don’t develop websites that opt-mally describe their product line or offer auto mechanisms for lead generation. Another big reason was that evolution and inno-vation in technology gradually tilted towards search engine marketing, marked by high budget keyword planning (AdWords).

Thankfully, in recent years, new-age startups started to disrupt e-commerce, primarily by reinventing the way the businesses find their customers, bringing new hope and promise for SMEs. In its first generation, e-commerce was all about websites being the primary means of customer interface, business opportunities and transactions.

Now, e-commerce has pivoted to models that intimately understand the user through location awareness and aggregator platforms which are ‘most valuable, most nearest’ focused than the size and scale of a company. Speed of fulfilment now scores much higher in the end customer’s wish list and, most importantly, the customer finds the SME through a well-known bigger e-commerce player.

With venture money now enabling the new age e-commerce companies, new trends are emerging; SMEs are being trained as enablers for e-commerce product lines with the right marketing tools, abstract order management, delivery management, understanding customer feedback, and analysing competitive factors that lead to higher sales. SMEs are also beginning to discover the new avatar of e-commerce companies as their business facilitator and partner.

It is interesting to note that new age e-commerce startups have gone one step further and understood various issues that impact SMEs such as credit needs of working capital. Business loans without collaterals are now available at the click of a button for deserving SMEs, who have a credit or transaction history that NBFC can verify.

E-commerce startups: This is also improving the discipline among SMEs to keep their books clean, building long term reputation and higher potential to expand through various investment options including equity-based funding. This development is a welcome change and essential in terms of reducing cost of capital that SMEs badly need to sustain and grow.

Amidst this euphoric hope of SMEs instantly selling their products and services to the world, increase profitability, reduce sales and marketing costs, there are ground realities that SMEs will confront in this journey.

Competition will intensify where there’s no differentiation and innovation; in some scenarios, competition will come from across the border where cost parameters can be entirely different based on local conditions. This likely to drive down margins and markets may be fragmented with sub-optimal operations.

Now is the time for SME ecosystem to raise collective capabilities to new levels. It is critical that we have mentors who can handhold the SMEs transitioning from offline world to online. It is also critical that we educate SMEs about ‘just-in-time’ solutions through new and innovative ways of raising capital, and projecting demand in a realistic manner. Most importantly, we need to equip SMEs with the right tools for growth.

At a most fundamental level, it’s all about educating SMEs to find uncontested markets, practice lean business models and focus on intelligent lead generation mechanisms through branding and innovative marketing solutions. This will need improving the skills in deploying the right cloud technology and optimising value chain for providing ultimate value to end customer.

With $80 billion as the projected size of e-commerce market in India by 2020 and only 27% of the Indian SMEs who are online using e-commerce, the potential is immense and the timing perfect. I am certain that SMEs will grab this unprecedented opportunity to catapult themselves to new levels of success with right support ecosystem.

Source: Wadhwani Foundation
Working collectively to strengthening the WTO to promote development and inclusivity

1. We, the Ministers and high-level officials from Arab Republic of Egypt, Barbados, Central African Republic, Federal Republic of Nigeria, Jamaica, Kingdom of Saudi Arabia, Malaysia, People’s Republic of Bangladesh, People’s Republic of China, Republic of Benin, Republic of Chad, Republic of India, Republic of Indonesia, Republic of Malawi, Republic of South Africa, Republic of Uganda and Sultanate of Oman met in New Delhi, on 13 and 14 May 2019, to discuss recent developments at the WTO and explore ways for working with all Members to strengthen the multilateral trading system.

2. We reaffirm the pre-eminence of the WTO as the global forum for trade rules setting and governance. We note with concern the multiple challenges confronting the rules-based multilateral trading system and agree to work together with all WTO Members to strengthen the WTO, make it more effective and continue to remain relevant to the diverse needs of its Members, in line with objectives of the WTO.

3. We re-affirm that the dispute settlement system of the WTO is a central element in providing security and predictability to the multilateral trading system. This has proved to be more effective and reliable as compared to its predecessor, GATT. We note with concern that Members have failed to arrive at a consensus in the selection process to fill vacancies in the Appellate Body. This ongoing impasse has weakened the dispute settlement system and threatens to completely paralyze it by December 2019. We, therefore, urge all WTO Members to engage constructively to address this challenge without any delay in filling the vacancies in the Appellate Body, while continuing discussions on other issues relating to the functioning of the dispute settlement mechanism.

4. An inclusive multilateral trading system based on equality and mutual respect should ensure that all WTO Members abide by WTO rules and abjure any form of protectionism. The core value and basic principles of the multilateral trading system must be preserved and strengthened, particularly with a view to building trust among Members. To this end, we urge WTO Members to adopt measures that are compatible with WTO rules to avoid putting the multilateral trading system at risk.

5. Multilateral avenues, based on consensus, remain the most effective means to achieve inclusive development-oriented outcomes. Members may need to explore different options to address the challenges of contemporary trade realities in a balanced manner. We note that in the post-MC 11 phase, many Members have evinced interest in pursuing outcomes in some areas through joint initiatives approach. The outcomes of these initiatives should be conducive to strengthening the multilateral trading system and be consistent with WTO rules.

6. We recall that international trade is not an end in itself but a means of contributing to certain objectives, including raising standards of living. Special and Differential Treatment is one of the main defining features of the multilateral trading system and is essential to integrating developing Members into global trade. Special and Differential Treatment provisions are rights of developing Members that must be preserved and strengthened in both current and future WTO agreements, with priority attention to outstanding LDC issues.

7. We stress the importance of technical assistance and capacity building provided to developing Members, in particular LDCs, including through the Enhanced Integrated Framework, Aid for Trade and other tools. We urge Members to continue doing so.

8. The process of WTO reform must keep development at its core, promote inclusive growth,
and fully take into account the interests and concerns of developing Members, including the specific challenges of graduating LDCs. The way forward must be decided through a process that is open, transparent and inclusive. We agree to work collectively with the aim to develop proposals to ensure that our common interests are reflected in the WTO reform process.

9. WTO rules seek to foster an open and non-discriminatory trade regime. In order to instill confidence among the Members, it is imperative that the Ministerial Conferences of the WTO are organized in a more open, transparent and inclusive manner. WTO notification obligations must consider the capacity constraints and implementation related challenges faced by many developing Members, particularly LDCs. In the WTO, a more cooperative and gradual approach is the best way in dealing with the issue of transparency, where many developing Members struggle to comply with their notification obligations.

10. Some WTO agreements, for example the Agreement on Agriculture, contain imbalances and inequities that prejudice the trade and development interests of developing Members. There is a need to provide adequate policy space to the developing Members to support their farmers through correcting the asymmetries and imbalances in this Agreement on priority. This should be undertaken on the basis of work done and progress already made in the past, and provide further flexibilities to the LDCs and Net Food Importing Developing Countries. It is really time that cotton receives concrete and appropriate responses it deserves.

11. We agree to consult on various issues of common interest to developing Members, including comprehensive and effective disciplines on fisheries subsidies with appropriate and effective Special & Differential Treatment provisions for developing Members.

12. We urge WTO Members to expedite the process of accession of new Members.

13. We reiterate our commitment to work towards strengthening WTO by promoting development and inclusivity for the benefit of all Members.

Source: WTO Website
The official Wholesale Price Index for ‘All Commodities’ (Base: 2011-12=100) for the month of May, 2019 rose by 0.2 percent to 121.2 (provisional) from 120.9 (provisional) for the previous month.

**INFLATION**

The annual rate of inflation, based on monthly WPI, stood at 2.45% (provisional) for the month of May, 2019 (over May, 2018) as compared to 3.07% (provisional) for the previous month and 4.78% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 1.08% compared to a build up rate of 1.72% in the corresponding period of the previous year.

Inflation for important commodities / commodity groups is indicated in Annex-I and Annex-II. The movement of the index for the various commodity group is summarized below:-

**PRIMARY ARTICLES (Weight 22.62%)**

The index for this major group rose by 0.2 percent to 139.5 (provisional) from 139.2 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for ‘Food Articles’ group remained unchanged at its previous month level of 150.1. The items which showed decrease during the month are betel leaves (5%), fruits & vegetables (2%) and tea and wheat (1% each). The items which showed increase during the month are fish-marine (7% each), arhar (5%), urad, peas/chawali and bajra (4% each), lag and moong (2% each) and gram, barley, ragi and fish-inland (1% each).

The index for ‘Non-Food Articles’ group rose by 0.9 percent to 127.8 (provisional) from 126.7 (provisional) for the previous month due to higher price of floriculture and safflower (kardi seed) (6% each), raw rubber, hides (raw) and groundnut seed (4% each), linseed (3%) and raw jute, mesta, fodder, cotton seed, sunflower, raw silk and rap & mustard seed (1% each). However, the price of copra (coconut) (3%), skins (raw), soyabean and coir fibre (2% each) and gingelly seed (sesamum), niger seed and gaur seed (1% each) declined.

The index for ‘Minerals’ group declined by 4.2 percent to 138.9 (provisional) from 144.0 (provisional) for the previous month due to lower price of copper concentrate (14%), bauxite (10%) and zinc concentrate, manganese ore and chromite (2% each). However, the price of iron ore (14%), lead concentrate (2%) and limestone (1%) moved up.

The index for ‘Crude Petroleum & Natural Gas’ group rose by 3.5 percent to 92.8 (provisional) from 89.7 (provisional) for the previous month due to higher price of crude petroleum (5%) and natural gas (1%).

**FUEL & POWER (Weight 13.15%)**

The index for this major group rose by 0.6 percent to 103.4 (provisional) from 102.8 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for ‘Mineral Oils’ group rose by 1 percent to 96.4 (provisional) from 95.4 (provisional) for the previous month due to higher price of naphtha (4%), ATF (3%) and LPG, kerosene, furnace oil and HSD (1% each).

**MANUFACTURED PRODUCTS (Weight 64.23%)**

The index for this major group rose by 0.1 percent to 118.4 (provisional) from 118.3 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for ‘Manufacture Of Food Products’ group rose by 0.4 percent to 129.2 (provisional) from 128.7 (provisional) for the previous month due to higher price of groundnut oil (5%), gur, vanaspati and manufacture of macaroni, noodles, couscous and similar farinaceous products (4% each), chicken/duck, dressed - fresh/frozen, bagasse, molasses and powder milk (3% each), coffee powder with chicory, manufacture of prepared animal feeds, gram powder (besan), sugar, manufacture of starches and starch products, castor oil and butter (2% each) and processing and preserving of fish, crustaceans and molluscs and products thereof, processing and preserving of fruit and vegetables, honey, spices (including mixed spices), mustard oil, salt, basmati rice and rice products (1% each). However, the price of copra oil (3%), rapeseed oil, processed tea, maida and sooji (rawa) (2% each) and palm oil, instant coffee, manufacture of health supplements, manufacture of processed ready to eat food, sunflower oil, rice bran oil, wheat flour (atta) and other meats, preserved/processed (1% each) declined.

The index for ‘Manufacture Of Beverages’ group declined by 0.2 percent to 122.5 (provisional) from 122.7 (provisional) for the previous month due to lower price of aerated drinks/soft drinks (incl. soft drink concentrates), bottled mineral water and spirits (1% each).
each). However, the price of beer, country liquor and rectified spirit (1% each) moved up.

The index for ‘Manufacture Of Tobacco Products’ group declined by 1.6 percent to 152.1 (provisional) from 154.6 (provisional) for the previous month due to lower price of other tobacco products (4%).

The index for ‘Manufacture Of Textiles’ group rose by 0.3 percent to 119.7 (provisional) from 119.4 (provisional) for the previous month due to higher price of manufacture of knitted and crocheted fabrics (3%) and manufacture of cordage, rope, twine and netting and weaving & finishing of textiles (1% each). However, the price of viscose yarn (1%) declined.

The index for ‘Manufacture Of Wearing Apparel’ group rose by 0.5 percent to 139.2 (provisional) from 138.5 (provisional) for the previous month due to higher price of manufacture of wearing apparel (woven), except fur apparel (1%). However, the price of manufacture of knitted and crocheted apparel (1%) declined.

The index for ‘Manufacture Of Leather And Related Products’ group declined by 0.9 percent to 119.7 (provisional) from 120.8 (provisional) for the previous month due to lower price of chrome tanned leather and leather shoe (2% each). However, the price of travel goods, handbags, office bags, etc. (3%) and vegetable tanned leather and waterproof footwear (1% each) moved up.

The index for ‘Manufacture Of Wood And Of Products Of Wood And Cork’ group rose by 0.5 percent to 134.3 (provisional) from 133.6 (provisional) for the previous month due to higher price of wooden panel and wood cutting, processed/sized (2% each) and lamination wooden sheets/veneer sheets and particle boards (1% each). However, the price of wooden block - compressed or not (3%) declined.

The index for ‘Manufacture Of Paper And Paper Products’ group declined by 0.2 percent to 123.5 (provisional) from 123.7 (provisional) for the previous month due to lower price of newprint (3%), laminated paper and base paper (2% each) and tissue paper, Kraft paper, card board and corrugated paper board (1% each). However, the price of duplex paper and poster paper (1% each) moved up.

The index for ‘Printing And Reproduction Of Recorded Media’ group rose by 0.5 percent to 148.3 (provisional) from 147.5 (provisional) for the previous month due to higher price of printed labels/posters/calendars (5%). However, the price of sticker plastic (2%) declined.

The index for ‘Manufacture Of Pharmaceuticals, Medicinal Chemical And Botanical Products’ group rose by 0.9 percent to 125.5 (provisional) from 124.4 (provisional) for the previous month due to higher price of anti cancer drugs (25%), anti-retroviral drugs for HIV treatment (4%), vials/ampoule, glass, empty or filled (3%), sulphur drugs and anti inflammatory preparation (2% each) and vaccine for polio and antibiotics & preparations thereof (1% each). However, the price of antipyretic, analgesic, anti-inflammatory formulations (2%) declined.

The index for ‘Manufacture Of Rubber And Plastics Products’ group declined by 1 percent to 109.2 (provisional) from 110.3 (provisional) for the previous month due to lower price of plastic components and rubber components & parts (4% each), plastic box/container, medium & heavy commercial vehicle tyre and elastic webbing (3% each), tractor tyre and rubber moulded goods (2% each) and motor car tyre, PVC fittings & other accessories, polythene film, acrylic/plastic sheet, polyester film (non-metalized), rubber tread, solid rubber tyres/wheels, plastic bag and plastic film (1% each). However, the price of plastic button (5%), tooth brush, plastic furniture, plastic tube (flexible/non-flexible) and polypropylene film (3% each), processed rubber and conveyor belt (fibre based) (2% each) and plastic bottle, plastic cloth/ sheet, 2/3 wheeler rubber tube and thermocol (1% each) moved up.

The index for ‘Manufacture Of Other Non-Metallic Mineral Products’ group rose by 1.4 percent to 118.4 (provisional) from 116.8 (provisional) for the previous month due to higher price of slag cement and pozzolana cement (4% each), ordinary portland cement (3%), porcelain sanitary ware and cement superfine (2% each) and clinker, glass bottle, graphite rod, asbestos corrugated sheet, railway sleeper and stone, chip (1% each). However, the price of ordinary sheet glass, toughened glass, marble slab, non ceramic tiles, lime and calcium carbonate, fibre glass incl. sheet, ophthalmic lens and granite (1% each) declined.

The index for ‘Manufacture Of Basic Metals’ group declined by 0.8 percent to 109.7 (provisional) from 110.6 (provisional) for the previous month due to lower price of MS castings, aluminium disk and circles and mild steel (MS) blooms (3% each), sponge iron/direct reduced iron (DRI), aluminium ingot and MS pencil ingots (2% each) and ferrosilicon, hot rolled (HR) coils & sheets, including narrow strip, MS bright bars, aluminium shapes - bars/rods/flats, alloy steel wire rods, aluminium powder, stainless steel coils, strips & sheets, pig iron, GP/GC sheet, ferromanganese, copper shapes - bars/rods/plates/strips and aluminium alloys (1% each). However, the price of ferrochrome (3%), siliconmanganese (2%) and steel forgings - rough, stainless steel bars & rods, including flats, alloy steel castings and MS wire rods (1% each) moved up.

The index for ‘Manufacture Of Fabricated Metal Products, Except Machinery And Equipment’ group declined by 0.3 percent to 116.9 (provisional) from 117.2 (provisional) for the previous month due to lower price of sanitary fittings of iron & steel (7%), electrical stamping- laminated or otherwise (4%), boilers (3%) and bolts, screws, nuts & nails of iron & steel, metal cutting tools & accessories, steel structures and cylinders (1% each). However, the price of bracket and steel door (3% each), forged steel rings, hand tools and pressure cooker (2% each) and stainless steel tank, jigs & fixture and steel pipes, tubes & poles (1% each) moved up.

The index for ‘Manufacture Of Computer, Electronic And Optical Products’ group rose by 0.4 percent to 111.4 (provisional) from 111 (provisional) for the previous month due to lower price of battery for computer & other electrical equipment (4% each), printed circuit board, base plate, printed circuit board (2% each), computer monitor, computer keyboard, fax machine, television set, air conditioner, electric fan, oven and air conditioner (1% each). However, the price of telephone (5%), television set (2%) and computer (1% each) declined.
month due to higher price of electro-diagnostic apparatus, used in medical, surgical, dental or veterinary sciences and meter (non-electrical) (3% each) and capacitors, air conditioner and sunglasses (1% each). However, the price of modems (6%) and electronic printed circuit board (PCB)/micro circuit (2%) declined.

The index for ‘Manufacture Of Machinery And Equipment’ group rose by 0.5 percent to 112.7 (provisional) from 112.1 (provisional) for the previous month due to higher price of deep freezers (9%), drilling machine and pressure vessel and tank for fermentation & other food processing (6% each), injection pump (5%), separator and rice mill machinery (4% each), open end spinning machinery (3%), air or vacuum pump and furnaces & ovens (2% each) and centrifugal pumps, soil preparation & cultivation machinery (other than tractors), air gas compressor including compressor for refrigerator, pharmaceutical machinery, oil pump, hydraulic pump, sewing machines, chemical equipment & system and filtration equipment (1% each). However, the price of conveyors - non-roller type (3%), dumper and moulding machine (2% each) and gasket kit, roller and ball bearings, cranes, manufacture of bearings, gears, gearing and driving elements and excavator (1% each) declined.

The index for ‘Manufacture Of Motor Vehicles, Trailers And Semi-trailers’ group rose by 0.3 percent to 113.3 (provisional) from 113 (provisional) for the previous month due to higher price of brake pad/brake liner/brake block/brake rubber, others (3%), shock absorbers (2%) and piston ring/piston and compressor, wheels/wheels & parts, body (for commercial motor vehicles), shafts of all kinds, silencer and damper, chain, gear box and parts and engine (1% each). However, the price of axles of motor vehicles (2%) and cylinder liners (1%) declined.

The index for ‘Manufacture Of Other Transport Equipment’ group rose by 1.2 percent to 114.8 (provisional) from 113.4 (provisional) for the previous month due to higher price of motor cycles (2%), wagons (1%). However, the price of bicycles of all types (1%) declined.

The index for ‘Manufacture Of Furniture’ group rose by 0.1 percent to 129.4 (provisional) from 129.3 (provisional) for the previous month due to higher price of wooden furniture and iron/steel furniture (1% each). However, the price of foam and rubber mattress (2%) and steel shutter gate (1%) declined.

The index for ‘Other Manufacturing’ group declined by 0.1 percent to 106.3 (provisional) from 106.4 (provisional) for the previous month due to lower price of silver (1%). However, the price of non mechanical toys and stringed musical instruments (incl. santoor, guitars, etc.) (2% each) and cricket bat, football and plastic moulded-others toys (1% each) moved up.

**WPI FOOD INDEX (Weight 24.38%)**

The rate of inflation based on WPI Food Index consisting of ‘Food Articles’ from Primary Articles group and ‘Food Product’ from Manufactured Products group increased from 4.95% in April, 2019 to 5.10% in May, 2019.

**FINAL INDEX FOR THE MONTH OF MARCH, 2019 (BASE YEAR:2011-12=100)**

For the month of March, 2019, the final Wholesale Price Index for ‘All Commodities’ (Base: 2011-12=100) stood at 119.9 as compared to 120 (provisional) and annual rate of inflation based on final index stood at 3.10 percent as compared to 3.18 percent (provisional) respectively as reported on 15.04.2019.

*Source : PIB*
### Entrance Test - 14th July, 2019 (PGDMM / PGDSCM&L)

<table>
<thead>
<tr>
<th>S No.</th>
<th>Programmes</th>
<th>Approved</th>
<th>Eligibility</th>
<th>Duration</th>
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<tbody>
<tr>
<td>1</td>
<td>Post Graduate Diploma in Materials Management</td>
<td>AICTE</td>
<td>Graduate in any discipline from any Recognized University</td>
<td>2 Years</td>
</tr>
<tr>
<td>2</td>
<td>Post Graduate Diploma in SCM &amp; Logistics</td>
<td>AICTE</td>
<td>Graduate in any discipline from any Recognized University</td>
<td>2 Years</td>
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<tr>
<td>3</td>
<td>Graduate Diploma in Materials Management</td>
<td>IFPSM Accreditation</td>
<td>Graduate or Diploma in Engg. / Pharmacy/Hotel/Hospital – 2/3 years exp.</td>
<td>2 Years</td>
</tr>
<tr>
<td>4</td>
<td>Professional Diploma in Public Procurement</td>
<td>World Bank</td>
<td>Graduate in any discipline or Diploma Holders</td>
<td>6 Months</td>
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<tr>
<td>5</td>
<td>Certified Professional in Supply Management (CPSM)</td>
<td>ISM – USA</td>
<td>4 Years Degree + 3 Years of Relevant Experience OR 5 Years Degree + 5 Years of Relevant Experience</td>
<td>6 Months</td>
</tr>
<tr>
<td>6</td>
<td>International Diploma in Purchasing and SCM</td>
<td>ITC – Geneva</td>
<td>3 Years Degree + 2 Years of Relevant Experience</td>
<td>18 Month Modular Prog.</td>
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<tr>
<td>7</td>
<td>Professional Diploma in Stores Management</td>
<td>IMM</td>
<td>10+2 with 2 Years Exp. Or Degree in any discipline</td>
<td>2 Semesters</td>
</tr>
<tr>
<td>8</td>
<td>Professional Diploma in International Trade</td>
<td>IMM</td>
<td>10+2 with 2 Years Exp. Or Degree in any discipline</td>
<td>2 Semesters</td>
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**PROSPECTUS CAN BE HAD FROM FOLLOWING IMM OFFICES**

Prospectus Cost: Cash Rs.500/- By Post Rs.600/-

- **ALWAR**: 0971246555/07687754555
- **AHMEDABAD**: 9374012684 / 9090996711
- **AURANGABAD**: 0240-2473339/9423855983
- **BANGALORE**: 080-25327251/52
- **BHARUCH**: 0264-2283233
- **BHILAI**: 07988-2892948
- **BHOPAL**: 08085566437
- **BHISAPUR**: 7752-241087/75014
- **BOKARO**: 0654-240263/280768
- **BURNPUR**: 0341-2240523/9493477711
- **CHANDIGARH**: 0172-2556645/4554205
- **CHENNAI**: 044-23274195/232742750
- **COCHIN**: 0484-2203487/9400261874
- **DEHRADUN**: 0135-2795486/9410399773
- **DHANBAD**: 09470595238
- **DURGAPUR**: 0343-2574303
- **GANDHIDHARAM**: 02836-231711/231745
- **GOA**: 09423007106
- **GREAT NOIDA**: 0901864359
- **HARDWAR**: 09012611111
- **HOSUR**: 04344-240446
- **HUBLI**: 0836-2264999/9997270336
- **HYDERABAD**: 9866246796
- **INDORE**: 09993012574
- **JAIPUR**: 09972921517
- **JAMSHEDPUR**: 0657-2223530/2224670
- **JAMNAGAR**: 0288-2767171/982424869
- **KANPUR**: 0212-2401291
- **KOLKATA**: 033-22876971/22834963
- **LUCKNOW**: 0522-2638264/981554998
- **MUMBAI**: 022-26863376/26864528/26855645
- **MUMBAI**: 09888676008
- **MYSORE**: 0821-2321241
- **MANGALORE**: 0824-2382203
- **NAGPUR**: 0712-2219446/2219446
- **NASHIK**: 0253-2314206
- **NEW DELHI**: 011-22464969/9818664627
- **PUNE**: 0241-2340512
- **RAJE BARELI**: 09451077744
- **RANCHI**: 0651-2360716/2360716
- **ROORKEE**: 0139-2322492
- **SIRAT**: 0261-2802682
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**IIMM - National Headquarters (Education Wing)**

CBD Belapur, Navi Mumbai
Prime Minister

New Delhi
22 Jyaistha, 1941 Saka
12th June, 2019

Dr. M K Bhardwaj Ji,

Thank you for your congratulatory message on the historic success of the BJP and NDA in the 2019 Lok Sabha elections.

Through the verdict, 130 crore Indians have reaffirmed their unwavering faith in politics of development and good governance. The people of India have voted for a strong and stable Government, which can fulfil the aspirations of India’s youth.

Over the last five years, the NDA Government has taken path-breaking and futuristic decisions that have brought a positive difference in people’s lives.

The stupendous work in the last 5 years convinces me that with the right effort and determination, the impossible can become possible.

You would be happy to know that we are hitting the ground running from the word go. After-all, there is a lot to be done. By 2022, we want every Indian to have a home. We also want the income of farmers to be doubled. The Government has extensive plans to make India a 5 trillion dollar economy. To harness the potential of our youth, we want to make India the top start-up destination in the world.

Guided by ‘Sabka Saath, Sabka Vikas, Sabka Vishwas’, we will continue to make development a mass movement and provide progressive, development oriented and corruption free governance to build a strong, prosperous and inclusive India.

Yours,

(Narendra Modi)

Dr. M K Bhardwaj
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The GST Council in its 31st meeting decided that a new GST return system will be introduced to facilitate taxpayers. In order to ease transition to the new return system, a transition plan has been worked out. The details of the indicative transition plan are as follows:

i. In May, 2019 a prototype of the offline tool has already been shared on the common portal to give the look and feel of the tool to the users. The look and feel of the offline tool would be same as that of the online portal. Taxpayers may be aware that there are three main components to the new return – one main return (FORM GST RET-1) and two annexures (FORM GST ANX-1 and FORM GST ANX-2).

ii. From July, 2019, users would be able to upload invoices using the FORM GST ANX-1 offline tool on trial basis for familiarisation. Further, users would also be able to view and download, the inward supply of invoices using the FORM GST ANX-2 offline tool under the trial program. The summary of inward supply invoices would also be available for view on the common portal online. They would also be able to import their purchase register in the Offline Tool and match it with the downloaded inward supply invoices to find mismatches from August 2019.

iii. Between July to September, 2019 (for three months), the new return system (ANX-1 & ANX-2 only) would be available for trial for taxpayers to make themselves familiar. This trial would have no impact at the back end on the tax liability or input tax credit of the taxpayer. In this period, taxpayers shall continue to fulfil their compliances by filing FORM GST-1 and FORM GSTR-3B i.e. taxpayers would continue to file their outward supply details in FORM GSTR-1 on monthly / quarterly basis and return in FORM GSTR-3B on monthly basis. Non-filing of these returns shall attract penal provisions under the GST Act.

iv. From October, 2019 onwards, FORM GST ANX-1 shall be made compulsory and FORM GSTR-1 would be replaced by FORM GST ANX-1. The large taxpayers (i.e. those taxpayers whose aggregate annual turnover in the previous financial year was more than Rs. 5 Crore) would upload their monthly FORM GST ANX-1 from October, 2019 onwards. However, the first compulsory quarterly FORM GST ANX-1 to be uploaded by small taxpayers (with aggregate annual turnover in the previous financial year upto Rs. 5 Crore) would be due only in January, 2020 for the quarter October to December, 2019. It may be noted that invoices etc. can be uploaded in FORM GST ANX-1 on a continuous basis both by large and small taxpayers from October, 2019 onwards. FORM GST ANX-2 may be viewed simultaneously during this period but no action shall be allowed on such FORM GST ANX-2.

v. For October and November, 2019, large taxpayers would continue to file FORM GSTR-3B on monthly basis. They would file their first FORM GST RET-01 for the month of December, 2019 by 20th January, 2020.

vi. The small taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08 from October, 2019 onwards. They would file their first FORM GST-RET-01 for the quarter October, 2019 to December, 2019 from 20th January, 2020.

vii. From January, 2020 onwards, all taxpayers shall be filing FORM GST RET-01 and FORM GSTR-3B shall be completely phased out.

Separate instructions shall be issued for filing and processing of refund applications between October to December, 2019.

Source : PIB
Empirical evidence shows us that SMEs tend to suffer the most from onerous regulatory compliance requirements imposed by governments.

The World Bank has been focused on a slew of initiatives that can help to create an enabling environment to overhaul the MSME sector. Offering technical assistance to financial institutions for them to scale up their outreach to MSMEs, helping the sector adopt new technologies and creating an ecosystem which has innovation at its very core has been central to their ethos.

In a freewheeling chat, Siddharth Sharma, Senior Economist, World Bank, spoke to ET on how, besides ease of doing business, a range of external and internal drivers can pave an unprecedented growth path for SMEs in the country. Excerpts:

The Economic Times (ET): As per World Bank’s ratings, India’s ease of doing business ranking improved by 23 spots in 2019. In what way did this have a bearing on small businesses?

Siddharth Sharma (SS): Empirical evidence shows us that SMEs tend to suffer the most from onerous regulatory compliance requirements imposed by governments. The Doing Business methodology of the World Bank focuses on the regulatory experience of SMEs, and so the improvement in ranking indicates that the time and cost burdens faced by SMEs to comply with government regulations has gone down over the past four years due to a large number of reforms implemented by the central government and governments of Maharashtra and Delhi. But like any global study, the Doing Business methodology cannot comprehensively cover the entire regulatory burden of an SME in India. Compliance inspections and licensing under a number of laws are some examples of the areas that are not covered. Therefore the effort of the central government to drive much broader reforms at the state level, through a process of competitive and cooperative federalism, is particularly commendable. This helps broaden the impact on SMEs of reform. But there is still much to be done to truly unleash the potential of SMEs by reducing the regulatory burden they face. We look forward to supporting the government in further broadening and deepening the impact of reforms.

ET: Did the improvement in ranking help the SME and MSME sector do better business and attain prominence with the various industry stakeholders?

SS: The rankings are important primarily to signal to investors that India is now open for business. The full impact of reforms implemented till now will still take a few years to be felt. But what is evident is what the reforms mean for business. Companies can now incorporate their businesses faster and at less cost than they were able to four years ago. They can now obtain construction approvals and electricity connections much faster than they were able to before. GST has helped them reduce the compliance burden associated with VAT, and has made it easier to operate across states and transport goods between states. And finally, the insolvency code means it will be easier for entrepreneurs to exit unprofitable business and start anew. We have learned over the past four years that it takes time for the private sector to become comfortable with and adopt new reforms, especially those as ambitious as the ones India has been able to enact. And so we are hopeful that the process of unleashing entrepreneurial energy through the elimination of regulatory burdens will continue to flourish, and will unleash greater investment, entrepreneurship and job creation across the country.

ET: Besides access to finance, what are some of the other challenges that plague the SMEs’ growth potential and hinder their development in India?

SS: Well, we can’t underestimate the access to finance gap, as in India we estimate it to be over $230 billion. Indian SMEs vary substantially in terms of dimensions such as size, sector, technological intensity, main market and growth-orientation, so it is difficult to give specific constraints, as it depends on the nature of the underlying market failure and the type of SME. However, in addition to credit gaps, SMEs need support with accessing domestic and international markets, increasing firm capability in terms of both, management and skilled labor, an enabling business environment, and on-time payments from buyers and
suppliers. Better infrastructure will also add to firms’ productivity.

ET: What are some of the other initiatives led by World Bank in India to uplift the MSME sector?

SS: The World Bank is very much focused on supporting central government ministries and state governments alike in the design and implementation of policies conducive to MSME growth. This support has been reinforced in the Country Partnership Strategy between GoI and World Bank India, which will span until 2022.

The World Bank Group (WBG, The World Bank and the International Finance Corporation) have been providing support to the MSME sector through a number of initiatives that have supported access to financial services for MSMEs over the past decade. The World Bank provides lending, offers technical assistance, and undertakes research on MSMEs, while the IFC advises and invests in financial institutions to promote the growth of SMEs. We provide technical assistance to many financial institutions to assist them scale up their outreach to MSMEs, including how to better use financial technologies (fintech) to identify, assess, and monitor MSMEs for lending. We also work on the enabling environment for MSMEs.

For example, support for credit infrastructure, strengthening the bankruptcy framework, and facilitating payments mechanisms are a core part of our support for India’s MSMEs. We help MSMEs adopt new technologies through the expansion and upgrading of technology centers and we are reinforcing the innovation ecosystem for some specific sectors, such as in the health and pharmaceutical sectors. Finally, we have been undertaking a breadth of research and analytical work to better understand factors driving job creation, firm productivity, access to financial services, among other issues.

ET: What are some of the key drivers that should be adopted to boost the growth of MSMEs in emerging markets?

SS: There are both external and internal drivers of the growth of SMEs. The key factors in the external environment of SMEs are the ease of doing business and efficient access to capital and inputs. For example, credit market inefficiencies due to informational asymmetries and high transaction costs constrain SME access to capital. Hence, it is important to strengthen the underlying financial infrastructure and existing credit schemes on market-based principles so that they improve the efficiency of credit allocation to SMEs. Financial market innovations using Fintech could also help SMEs. Further broadening and deepening of the ease of doing business reforms is also important.

Access to markets is another key external factor for SMEs, often overlooked. Many SMEs find it too costly to access bigger markets (domestic or international), which constrains their opportunities for growth and reduces their incentives for investing in new products and processes. Access to export markets where there is a premium on quality can be especially impactful for SMEs. For example, in a study conducted in Egypt, researchers provided a subset of small rug producers the opportunity to export handmade carpets to high-income markets. They found that the opportunity to export raised firm profits by between 15 and 25%, and that these increases in profits were accompanied by large improvements in product quality, possibly due to “learning-by-exporting”.

Improving the internal “capabilities” of SMEs also matters for their growth. Firm capabilities are those elements of the production process that a firm cannot readily buy in the market and must therefore learn. Innovation and managerial competencies are the most common examples of firm capabilities. Research shows a strong positive correlation between good management practices, productivity and innovation in firms. Worryingly, the average quality of management practices followed by emerging economy firms, including Indian SMEs, appears to be well below that in countries like the US and Germany.

There exists a wide range of potential instruments to support SMEs in developing their managerial, technical and innovative capabilities. These instruments address underlying market failures related to informational asymmetries and coordination. They include:

- Improving the depth of the financial sector so that SMEs can access financial services that are needed to manage liquidity and to also invest long term
- Financial instruments such as matching grants to help finance specific types of investments and receivable financing so firms can better manage cash flows
- Supply-driven approaches such as technology and business advisory extension services
- Accelerators and incubators targeting high-growth potential firms
- “Demand-pull” instruments that connect firms to markets where higher capabilities are more desirable, or those that combine market linkages with capability strengthening.

ET: How can Indian SMEs try to be a part of Global
Value Chains (GVCs) to improve their business potential and profitability?

SS: Most SMEs in middle and high-income countries are plugged in GVCs as suppliers of exporters. SMEs are vastly under-represented in GVCs when looking at direct exports only. Those that participate in GVCs largely do not participate as direct exporters, but as suppliers to other domestic exporting companies. They are most frequently active in either in low value-added activities where entry costs are lower and not capital intensive, or in high-skilled and specialized activities.

Achieving the objective of integrating SMEs in GVCs can be supported by policies and an industrial strategy that seeks to strengthen firm linkages and the absorption potential of local SMEs. The primary areas of focus involve improving inter-industry collaboration, including domestic firms and SMEs, modifying foreign investor incentives and requirements, and developing affordable training opportunities and opportunities for international exposure. SMEs ability to comply with international standards (product, environmental, social and governance), as well as access to ICT and finance are also important factors.

The World Bank report Inclusive Global Value Chains discussed policy options for connecting SMEs to GVCs in depth.

ET: What lessons can India take from SMEs in international markets such as US and China?

SS: There is a huge learning curve as far as the quality of management of Indian SMEs is concerned. For example, India was in the bottom rung among the 35 countries covered in the 2012 firm-level World Management Surveys (WMS) (Bloom and others, 2012). At the top were countries like the US, Japan and Germany. Although India had some firms with the highest quality of management practices, most firms were at the low end.

This is worrying as it lowers productivity, competitiveness and their capacity to create good jobs. Incidentally, the WMS surveys found that while Chinese firms are better managed than Indian ones, the gap is not as large as that with the US. This is one area in which Indian SMEs can catch up to their Chinese counterparts.

It is not possible to ascribe the weak management of Indian SMEs to any single factor. It is probably related to institutional factors like the prevalence of family owned-managed firms. It is also due to information and coordination-related market failures that constrain SMEs from improving their management.

For instance, SMEs could think of paying business consultants to get advice on improving management practices, but may not be able to distinguish between low and high-quality consultants. Many SMEs are not even aware that they have a problem with the quality of their management practices. Hence, it may be worthwhile for the government to support and subsidize consulting services to SMEs. There is evidence from countries such as Mexico that management consulting programs have positive impacts on the productivity and growth of SMEs.

ET: Going forward, what are some of the collaborations that one can expect from World Bank with the industry/government that can give a fillip to this sector?

SS: The dialogue with Indian stakeholders in the MSME space is very dynamic, since MSMEs are a priority for both GoI and the WBG. We are currently exploring potential interventions in an array of policy areas that are deemed critical for MSME competitiveness and growth. Namely, we are engaging with government partners on issues around access to finance, women entrepreneurship, start-ups, cluster development and improving both managerial capabilities and access to markets of Indian MSMEs. There are no silver bullet solutions to these instrumental issues so we are advocating for holistic approaches that consolidate effort and try to trigger systemic change in the economy, which we believe we will manage to do working very closely with Indian states and ministries.

ET: In what way do you feel should the new government line up initiatives and reforms for the MSME sector to gain further momentum in the economy?

SS: At the World Bank Group, we have shifted our thinking around SMEs, really focusing on identifying and supporting high growth firms and productivity. Identifying policies to stimulate productivity is critical for India’s growth, as firm productivity accounts for half of the differences in GDP per capital across countries. High growth and young firms are the primary job creators in India, so we aim to bring our knowledge of how to increase productivity growth at the firm level, while facilitating a better enabling and policy environment to level the playing field for all firms. Finally, the innovation and fintech agendas remain high on our priority list, as new innovative solutions for firms can help India leapfrog the growth trajectory for firm productivity and job creation.

Source: ET Rise
WHY BUSINESSES NEED TO SCALE THEIR LOGISTICS OPERATIONS

NEERAJ BANSAL, CEO, DHL SMARTRUCKING

While there are several reasons to scale up logistics, the sheer size of the market alone necessitates businesses to expand their logistics operations.

Logistical considerations have always played a strategic role in business operations. They go beyond inventory management and transportation to include one of the most critical factors in success—location vis-à-vis markets or sources of supply. In recent years, changes in the business environment have forced companies, irrespective of their size, to pay close attention to how this function in correlates with others.

Commanding 13 per cent of India's GDP, logistics is fast emerging as one of the most powerful drivers of Digital India. In the near future, digital and offline retail will no longer be distinctive or competing silos; the mass market is coming to be dominated by a hybrid of the two. With omnichannel, the purchase journey is seamless across channels, giving buyers the best of both worlds: the freedom to shop around the clock with informed price comparison decisions, and the ability to touch, feel, and try out products at a store.

Add to this India's billion-strong potential marketplace, and the sales volume trajectory can only go up. In numbers, omnichannel retail is estimated to reach INR 1,718 billion by 2019.

While there are several reasons to scale up logistics, the sheer size of the market alone necessitates businesses to expand their logistics operations.

Scale to Survive: In this market scenario, scaling logistics is desirable. It is also essential for market survival in a hyper-competitive marketplace where every venture—start-up or otherwise—can have multiple imitators gunning for the same market. And in India's chequered startup history, which has witnessed many a venture die even after receiving tens of millions in funding, logistics issues in one form or another regularly find mention. Good logistics can resolve the many 'hidden execution complexities' that surface when delivering to buyers from a geographically diverse audience, especially with offerings like product returns and rush deliveries that create a dynamic supply chain. Scaling not only entails offering and shipping out more products but also delivering fast enough while ensuring the delivered product reaches the end consumer in immaculate condition. Put succinctly, in the words of ancient Chinese military strategist Sun Tzu: "The line between disorder and order lies in logistics."

Logistics Defines Customer Experience: For a long time now, customer service has lost its role as just an intangible, good-to-have aspect of the business. Instead, it is the definitive make-or-break factor, especially for retail and e-commerce companies that often stock similar brand and product lineups. Customers must make a split-second decision on which platform or store to spend their money, and previous customer experience-based impressions skew their decision on where they buy. According to a 2017 McKinsey & Company report, customer service is increasingly being recognised as a competitive advantage, as it enables companies to differentiate themselves. Even for brick-and-mortar retail, logistics-led factors such as the availability and freshness of stock (in case of perishables) can decide whether the customer will pay them another visit.

Compete with Incumbents: India’s battle-tested players, especially those in the online space, have developed logistical competencies through both incremental improvements and regular revamps. Delivering at volumes as high as 400,000 to 500,000 shipments on a given day, they benefit from both economies of scale and meticulously managed last-mile control. They also learn from foreign counterparts and competitors on how to incorporate their tech and process advantages. With such benchmarks, carving out a niche for startups or SMEs is a difficult task. While they may browse page after webpage of a relative newbie’s product offerings, consumers will be hesitant to ‘try out something new’ if the delivery terms are not to their liking. This challenge is heightened when delivering to remote locations, which have only recently arrived on India’s logistics map. Defined logistical operations can help make a difference even to those starting out.

Improve the Bottom Line: In today's hypercompetitive business environment, the product alone is not enough—everyone can replicate and improve upon it. The razor-thin margins that define retail today, especially retail with an online flavour, need a powerful logistical edge for market performance. Scaling up logistics leads to profitability; good logistics can increase revenue, reduce overall transportation costs, and improve cost structures across the supply chain. Logistics that is adaptive to real-time constraints, constantly incorporating regulatory and infrastructural developments, will define profitability over time. In this context, the entire supply chain — starting from first mile logistics, processing and sorting, fulfillment, last-mile logistics, and returns — all must be optimised for costs and efficiency.

Opinions expressed by Entrepreneur contributors are their own.

Source: www.entrepreneur.com
DEFENCE MODERNISATION: GOVERNMENT PRIORITY NEEDS TO BE ON MAKE IN INDIA

The next defence minister of India needs to smoothen out the wrinkles and get the engine going.

MANU PUBBY

A comprehensive defeat of the Congress has established that its ‘Rafale scam’ charge did not stick and was a non-issue as far as the electorate was concerned. However, the vigour with which it was raised over the past year had a strong impact on the bureaucracy, which adopted a cautious note when it came to taking calls on modernisation and promotion of the Make in India policy.

The decisive mandate the BJP has got again now needs to free up the private industry phobia that the Rafale scam allegations triggered. The Make in India in defence initiative, which the BJP has mentioned prominently in its manifesto for 2019, needs to be anchored firmly around the private sector.

A good foundation is in place — initially driven by former defence minister Manohar Parrikar—with the strategic partnership model as well as well-defined policies on treating Indian companies first for all defence and strategic requirements. What has been missing are the work orders that will truly kick-start the sector and drive jobs. The next defence minister of India needs to smoothen out the wrinkles and get the engine going.

SP POLICY: The SP policy—initially planned to create India’s Boeings and Lockheed Martins—has morphed from a game changer for the private sector into a free-for-all in which government-owned public sector units now seem to have a clear advantage. Four key projects that the SP policy has identified are mega plans to construct new conventional submarines, a new fleet of naval utility helicopters, armoured vehicles and a new line of modern combat jets.

The two programmes that are progressing the fastest—and hopefully will lift off within the next three months—promise to give the public sector an unfair advantage. For submarines, the Mazagon Docks Ltd (MDL) has a clear edge over its only competitor Larsen and Toubro due to the infrastructure investment already in place.

Similarly, in the naval helicopters contest, HAL has put in two bids that could be tough to beat on pricing, given that the PSU has land, infrastructure and personnel already on board for its ongoing joint venture with Russia’s Kamov.

A reason, perhaps, why PSUs have been able to muscle into these mega projects is the shadow of the Rafale allegations where the central point of the Congress attack was that HAL was ignored in favour of a private firm. Taking the SP model back to its original purpose—to kick-start the private sector into a global league—would go a long way in the success of Make in India as far as the defence sector goes.

EXPORT FOCUS: For the past few months, a renewed effort has been made to jump up defence exports from India. These are being pushed primarily by the government with a clear defence exports policy and cooperation of Indian missions abroad. However, India needs to unlock the power of its financial might here and activate the $1.3 billion odd worth of line of credits that it has promised to friendly foreign nations.

Here too the focus seems to be on using the public sector—each unit has been given a mandate to pitch its products abroad and standard operating procedures for expeditious utilisation of line of credits have not been defined for private players. Given the number of small and medium defence firms that are already exporting globally, this is strange and needs to be extended to the private sector at the earliest.

Key Acquisitions

One strong promise the BJP made before elections was that it will continue on its zero tolerance policy against terror and will speed up purchases of outstanding equipment and weapons needed by the forces. The Balakot operations and the retaliatory strike by Pakistan the next day bring out focus on a few urgent needs that cannot wait.

The first being the Rafale fighter jets—the air force is of the firm belief that the French origin fighters will be able to perform wonders and would leave no room for terrorists to hide even within Pakistan given their superior weapon and sensors range. The 36 jets on order are not enough to ensure this though and the air force would need an equal number more at the earliest—even if this means importing them fully from France.

Other systems needed if India has to keep the air strikes option open to act against terror are close in weapon systems—short range anti-aircraft guns and shoulder fired anti-air missiles for the army and air force. The S-400 air defence system acquisition from Russia too needs to be expedited to keep the skies safe. For the navy, an extension of the submarine fleet is essential if escalatory steps like a complete blockade of major ports in Pakistan have to be kept as an option against acts of terror.

Source: economictimes.indiatimes.com

Materials Management Review

July 2019 | 37
Zero electronics imports by 2020 seem a distant dream, with imports still forming a large part of the Indian electronics manufacturing ecosystem. With manufacturing technology changing tirelessly, the Indian government and the ESDM industry have a lot to do to keep up with it, and to ‘make in India’ a lot more.

As we approach the end of this decade with the target of ‘zero electronics imports by 2020’ looming large, the Indian electronic systems design and manufacturing (ESDM) industry needs to do much more than it has so far if it has to come anywhere near the target. Strong domestic consumer demand due to India’s rising disposable incomes and the ongoing process of digitalisation is spurring the need to develop indigenous electronics production capacities. However, till date, almost 75 per cent of this demand is still serviced through imports (Figure 1). Consequently, the ESDM industry offers immense prospects for investors and stakeholders. However, it is important to understand the market trends, the growth drivers and challenges, to get a competitive edge in this industry.

The electronics sector has been the focus of attention for the last decade and is widely recognised as one of the driving forces in a vibrant and modern economy. ESDM is commonly referred to as a ‘meta resource’ which cuts across sectors and drives efficiency, affordability, sustainability, delivery of services and inclusive growth. There is no short term solution to this sector’s problems. It requires a 10-15 year vision and strategy to overcome its chronic weaknesses and address the factors that are holding back investments and growth.

Growth through new technologies: The electronics industry is facing unprecedented changes worldwide. Innovation and agility are leading to a competitive advantage for an organisation, irrespective of its size. The Indian electronics industry will also be following the same trend. So companies need to take greater advantage of new and emerging technologies.

New technologies are today penetrating the market within a fraction of the time it took older technologies to do so. Disruptors are capitalising on existing infrastructure and leaping ahead in market share. Many electronics companies have already taken advantage of the changes in the market by enhancing their capabilities. They are becoming more sophisticated in their approach to capital markets, in developing deep consumer insights, in building technical capabilities and in developing pricing strategies.

The electronics value chain is under intense pricing pressure, as customers push to lower end-market prices and manufacturers aim to increase market penetration. However, material, labour, and other operating costs continue to rise.

How can the Indian electronics companies thrive in such an increasingly automated, smart and constantly changing market? Incumbents face the challenge of agile transformation and the threat of disruption, while startups face immense challenges trying to achieve significant market share. To survive, companies have to rethink how they operate. Business model innovation is necessary for the survival of electronics companies at key inflection points in their evolutionary curve.

For example, with their core business generating slimmer margins, many original design manufacturers (ODMs) and component manufacturers are in search of new platforms to achieve growth targets. To create long-term value, companies need to strike the right balance between core business performance and innovation at scale, while considering consumer demand trends. Consumers are demanding faster connectivity, greater interoperability, and ever more innovative products and solutions.

Successful companies continually innovate through product and service development, omni-channel customer engagement, and creating agile supply chains. They also strengthen core disciplines such as capital allocation, productivity and pricing by leveraging the latest technologies while riding the wave of disruption.

A release from McKinsey Global Institute (MGI) indicates that new technologies are unfolding relentlessly on many fronts. Almost every advance is billed as a breakthrough, and the list of the ‘next big things’ keeps growing longer. Not every emerging technology will alter the business or social landscape—but some truly do have the potential to disrupt the
status quo, and alter the way people live and work.

The MGI shared insights into the upcoming wave of 12 technological developments, termed as the ‘Disruptive Dozen’, which will have the greatest impact on the way we live now, and have the highest potential to recast the business landscape in the coming decade. The ‘Disruptive Dozen’ includes mobile Internet, the automation of knowledge work, the Internet of Things (IoT), cloud technology, advanced robotics, autonomous and near-autonomous vehicles, next-generation genomics, energy storage, 3D printing, advanced materials, advanced oil and gas exploration and recovery, and renewable energy.

These technologies are to add between US$ 500 billion and US$ 1 trillion to India’s economy, and will significantly improve the lives of people. Therefore, strengthening the capabilities of the Indian electronics industry to leverage the benefits of these disruptive technologies is the need of the hour.

The emergence of the new ‘OEM-EMS’ dynamics: The electronics manufacturing industry depends a lot on dynamic business relationships between original equipment manufacturers (OEMs) and electronics manufacturing services (EMS) providers.

The emerging OEM-EMS relationship includes product design outsourcing, end to end manufacturing integration, and strategic partnerships through technology deployment.

Competition and product complexities require OEMs to advance their in-house R&D and design competencies further or, alternatively, collaborate with EMS partners to fulfil these needs. To reduce overall expenditure and shift from fixed costs to variable costs, OEMs are increasingly moving product design and development processes to EMS partners.

At the same time, EMS companies are offering more design services for sub-assemblies and finished products. These include both product design and end-to-end manufacturing solutions, starting from conceptualisation, product planning and engineering, to industrial design and mass production.

The end-to-end integration of manufacturing solutions is in demand as OEMs are looking for cross-industry horizontally-integrated service providers. This trend is most noticeable across the electronics, plastics and metal industries. Driven mainly by the end application market and engineering synergies, this business model will become a major strategic goal of leading component manufacturers, EMS service providers and OEMs. Small-to-medium sized OEMs are especially appreciative of the benefits manufacturing integration services offer.

In some cases, OEMs completely outsource the entire product design role to EMS partners. EMS companies manufacture and deliver the final products by working directly with the approved vendors of the OEM. In this way, the EMS providers streamline technical and logistics communications across all manufacturing parties, thus streamlining the entire manufacturing process. Moreover, there is a growing trend of creating a ‘one-stop shop’ offering design, engineering and manufacturing services.

With the advent of digital technology enabled services and connectivity tools, manufacturing partners can work more closely, sharing insights about the production scenario, inventory and order status. In order to achieve this, both OEMs and EMS providers need to focus on developing cloud based technology platforms and new operating models that enable connected services to integrate multiple stakeholders, including customers.

**Growth drivers at a glance**: Telecom equipment (including mobile devices), consumer appliances, automotive, industrial and strategic electronics applications will continue as the growth drivers for the Indian ESDM industry (Figure 2).

Another driver is the significant growth achieved in the production of mobile handsets, accessories, LED TVs, LED lights and even some growth in component manufacturing.

Hectic activity by MeitY with industry consultations to devise an effective policy to promote electronics exports will also drive growth. According to the Directorate General of Commercial Intelligence and Statistics (DGClS), exports of computer hardware and peripherals and consumer electronics stood at US$ 198.04 million and US$ 234.19 million, respectively, between April and October 2018.

Electric vehicles and connected mobility related applications have already opened up huge opportunities for power electronics devices and components, including power management semiconductors, etc.

In the electric vehicle (EV) space, the desire for a longer driving range between charges, faster battery charging times, higher electronics integration for infotainment, safety and security, and other applications will drive tech advances, increasing the total electronics content of EVs.

The Internet of Things (IoT), 5G and artificial intelligence (AI) are emerging as new growth drivers.

**The need to boost domestic value addition**

Export led growth is perceived as a proven roadmap for success with precedents such as Japan, South Korea, Taiwan and China – countries that also had a large domestic market. This is in some ways an anomaly, because India, like China, has a large and growing market, which is being serviced by imports that domestic companies are unable to compete with – so this remains a chicken-and-egg situation.

Export driven growth however, offers an entirely new playing field for which domestic capabilities can be built to achieve economies of scale leading to cost and value competitiveness. It may well be the right strategy to break the vicious cycle of cheap imports, ITA-1, low volumes and low investments. The benefits of the MEIS (Merchandise Exports from India Scheme) are provided for, among other goods, a number of electronic equipment, satellite & space devices, and other items.
components, assemblies and products.

Currently India exports ~US$ 6 billion worth of electronics annually and it has been proposed that on the back of an aggressive export promotion policy, it should target an aspirational figure of US$ 100 billion by 2022-23, i.e., a 15-fold growth in five years or a CAGR of 75 per cent! Such explosive growth is unrealistic and, as experienced with policies in the past, will result in disappointment.

Currently, our exports amount to 13 per cent of domestic production, which is hovering around US$ 45 billion. This production figure covers both high value and low value added manufacturing.

The focus areas for defence equipment manufacturing include state-of-art technology products such as fighter aircraft, medium lift and utility helicopters, warships, land combat vehicles, autonomous weapon systems, missile systems, surveillance systems, electronic warfare (EW) systems, communication systems, and more. This will create huge opportunities for the Indian electronics industry.

**Awaiting a policy push**: While new and creative policies have been formulated to promote electronics manufacturing since the 1960s, it is only around 2009-10 that a focused and comprehensive effort was undertaken to address the challenges faced by this sector. The ESDM sector has faced continued sluggish progress vis-à-vis the growth in domestic demand, the global expansion of electronics manufacturing and the advances in technology. All this has resulted in an uncompetitive industry plagued with disabilities and a market dominated by imported goods.

The National Policy on Electronics 2012 (NPE 2012) addressed a range of challenges including investment promotion, infrastructure creation, skills development, promoting R&D, e-waste management, and more. Recently, it has been revamped and the NPE 2018 is expected to facilitate the following:

- Enhanced value addition in manufacturing
- An aggressive export promotion strategy for doubling exports every three years or earlier
- Rapid expansion of the components ecosystem, including passive, electromechanical, interconnection and wound components; and PCBs
- Strategic investments in semiconductor technology and manufacturing
- More ’making in India’ can become a reality only if the investor is reasonably assured of profitability and MSMEs are given due support to flourish.

**Nurturing an ‘innovation economy’ to realise ‘Make in India’**

Technological innovations have proven to be the key growth drivers all over the world. To be competitive in the global market, it is important for a country to nurture an ‘innovation economy’. In recent years, a wide spectrum of new programmes and opportunities to nurture innovation have been created by the Indian government across a number of sectors, including ESDM.

India took a big step forward through the ‘Start Up India’ initiative. This promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. The initiative is well placed to complement the Make in India programme, which was designed to transform India into a global design and manufacturing hub. This has renewed confidence in India’s capabilities among potential partners abroad, within the business community in the country and citizens at large. This can help raise investments, foster innovation, develop skills, protect intellectual property and build a best-in-class manufacturing infrastructure.

**Source**: electronicsb2b.com
EASE OF DOING BUSINESS: BECOMING A SMOOTH OPERATOR

VIVEK JOHRI
CHIEF COMMISSIONER, CUSTOMS, GOI

Much credit for India’s jump by 66 ranks in the ‘Trading Across Borders’ component of the World Bank’s Doing Business (DB) rankings 2019 — from 146th to 80th — goes to the Central Board of Indirect Taxes and Customs (CBIC), and two of its field formations — Jawaharlal Nehru Custom House (JNCH), NhavaSheva Port in Navi Mumbai, and the Inland Container Depot, Tughlaqabad, in Delhi.

These were the two locations in India chosen by the World Bank to estimate the time and cost of the release of export-import (exim) cargo for its DB rankings. The quantum jump is the culmination of years of hard work at two levels: one, in conceptualising and making policy changes through the notification of trade facilitation measures by CBIC; two, in ensuring that those measures deliver concrete and measurable benefits to trade.

The clearance of exim cargo is a complicated process involving multiple agencies that include port authorities, terminal operators, transporters, railways, shipping lines, container freight station operators, not to mention customs brokers representing importers and exporters. The interests of some of these stakeholders are not always fully aligned with the goal of speedy clearance of cargo. Therefore, a major part of the effort by customs entailed a close coordination with them on a day-to-day basis.

Within CBIC, some of the verticals played a critical role in achieving the results. For instance, the directorate general of systems ensured that the IT system used by customs formations keeps pace with changes in documentation and procedure and is glitch-free to enable cargo clearance in a 24×7 mode. The risk management division determined and monitored the levels of facilitation of cargo. The directorate of publicity launched advertising campaigns as and when needed, while the National Academy of Customs, Indirect Taxes and Narcotics (NACIN), at Faridabad, Haryana, provided training inputs on relevant themes to officers and staff. Finally, from the generals to the foot soldiers, everyone had to actively own the agenda and advocate it to other agencies. Many innovative solutions, such as direct port delivery (DPD) and direct port entry (DPE), were re-invigorated. Pre-arrival processing was encouraged, the enrolment of authorised economic operators expedited, and creases in the clearance procedure smoothened with speed.

Implementation was regularly monitored, feedback loops activated and courses changed where necessary. At JNCH itself, 44 public notices were issued on the flagship DPD scheme over the last two years. Representatives of all stakeholders were involved in shaping these initiatives, trouble-shooting and re-modelling through frequent deliberations in the Permanent Trade Facilitation Committees (PTFCs) and Customs Clearance Facilitation Committees (CCFCs).

An aggressive outreach strategy was deployed to improve participation of trade by convincing participants about potential benefits. Customs brokers played a useful role in this. The port authorities beefed up physical infrastructure to reduce the cargo evacuation time. Shipping lines and cargo clearance facilities streamlined their procedures.

Other factors helped, too. It was fortuitous that, with India as a signatory, the World Trade Organisation’s (WTO) Trade Facilitation Agreement (TFA) entered into force in February 2017. The resultant organisational structure comprising the National Trade Facilitation Committee (NTFC), chaired by the Cabinet secretary and including private sector representatives, prescribed precise release-time targets enabling a focused approach.

Being members of NTFC, other ministries also issued consistent directions to their agencies at the port, thereby generating convergence. The JNCH Time Release Study (TRS) 2018 (goo.gl/qjgSrE) provided empirical evidence to show that the trade facilitation initiatives were delivering real benefits to the trade. Its findings on average release time were corroborated by third-party analysis by the Bureau of Research on Industry and Economic Fundamentals (BRIEF), and radio frequency identification (RFID) time stamp data via the Delhi-Mumbai Industrial Corridor project’s Logistics Data Bank (LDB) service.

TRS 2018 also demonstrated that substantial savings in release time could be made if importers availed measures such as advance filing, and the authorised economic operator (AEO) scheme and DPD in tandem. This may have proved to be a turning point in changing perceptions.

While there is every reason to celebrate the achievement, it is equally true that the objectives of customs modernisation and reforms in India go far beyond annual rankings. The gap between the average release time at these two ports in Mumbai and Delhi, and the target set by the NTFC, continues to be wide. Apart from further improving the delivery process and increasing the coverage of current initiatives, the use of technological innovations in the field of artificial intelligence (AI), blockchain and machine learning may well get us there.

DISCLAIMER: Views expressed above are the author’s own.

Source: The Economic Times
THE SUPPLY CHAIN MANAGEMENT DYNAMICS IN THE INDIAN RETAIL INDUSTRY

Efficient supply chain management has a cascading impact on all aspects of retail – from sourcing of raw materials based on demand forecast and then speeding up the production to getting the product to the store and finally to the consumer, everything depends on the supply chain. Experts unanimously agree that besides infrastructure and complications in taxation, it is the efficiency of manpower and adoption of technology that gives a huge boost to supply chain management. However, it still remains to be seen whether the Indian Retail Industry has actively invested in the smooth running of its backend supply and logistics.

Setting the context of the story, Farah Malik Bhanji, Metro Shoes says, “While supply chain may be invisible to the end consumer, it is definitely very visible on a business’ balance sheet. It is as critical to the functioning of a retail business, as the central nervous system is to the functioning of a body. A warehouse is the heart of a business and the nerves are the dispatches across the retail network.”

Malik throws light on two aspects of supply chain management – the first is the physical movement of goods and the second is the tracking of these movements and bringing efficiencies into place. She points out that where there is not a very high level of talent needed for the former with goods needing to go from A to B, it is however vital to know the processes, and the flow of supplies and to understand that to be able to achieve the latter.

Vasanth Kumar, Managing Director, Lifestyle International shares, “Supply chain is increasingly getting sophisticated on two counts: one is that there is constant demand to deliver freshness always at the B&M stores. And two, we are moving to an Omnichannel world where customer delivery happens through real time supply chain connecting warehouse or store inventory for which supply chain needs to implement advanced ERP/planning tools to be effective including web order fulfillment. With the advent of e-commerce and Omnichannel, the supply chain function is no longer limited to B2B as it now encompasses B2C deliveries direct to customer. And the single biggest factor which affects NPS is quality of deliveries which is very much the responsibility of the supply chain. This is a huge shift in terms of mindset and capabilities indeed moving from cost efficiency to customer experience orientation.”

Echoing the effects of e-commerce in shaping up supply chain management efficiency, Hemant Gupta, Chief Operating Officer & Chief Finance Officer – The Mandhana Retail Ventures Ltd. shares, “The introduction of e-commerce in the Indian market has brought about a drastic change in the retail scenario leading to a different perception of the supply chain management. The advancement of technology has helped decrease manual processes comparatively and has also been adopted by our logistic partners and warehouses easing out the entire supply chain process.”

Talking specifically about the jewelry sector, Vijay Jain, CEO & Founder Director, ORRA shares, “Historically, supply chain in diamond jewelry centers around trust and long term relationships and while prior experience, or training/certification in diamond and allied areas is given due regard is taken as secondary to integrity and trust. However, given the new complexities of businesses what is held in premium is skills that understand the trade offs in managing inventories, vendors, commercial demands, deliveries, and responsiveness to market conditions and balances the pressures across departments, like design, merchandising, procurement, vendor management and logistics. Mind sets required to run the front end part of the business and supply chain are different.”

Moving towards food, the role that supply chain management plays cannot be underestimated. Gaurav Dewan, COO & Business Head, Travel Food Services shares his take, saying, “India today has a burgeoning economy, rising urban population and a fast growing middle class; and along with an increase in their disposable income, there has also been a proportionate rise in travel and consumption rates. However, given the vastness of the country, and the magnitude of people, there are definitely challenges involved, being in the F&B sector. Among the major challenges that we face, the lack of proper infrastructure is one that has hampered the growth of the food retail sector across the country. And while we are in the process of developing the right infrastructure to support the growth, we also need to build a network of reputed and reliable suppliers, to move away from the current scenario of multiple vendors and lack of aggregators for products. Because of this, we also face challenges in the distribution system, which is quite poor across the country.”

“The logistics and supply chain management function has been undergoing an unprecedented transformation in the last few years, fueled by innovations in IT and digitization. Government initiatives like Make in India and Digital India are providing thrust towards the logistics and supply chain management function. According to a study by The Associated Chambers of
Complications & Challenges: Complications in taxation are one of the biggest hurdles gripping the industry besides infrastructure. Where GST has been introduced to simplify the taxation woes, there seems to be a long way to go before the issue of taxes, invoicing etc. cease to be an issue. Gupta explains, “The challenges we face are more on the statutory compliance side with the change in laws on day-to-day basis like the introduction of GST and error in E-way bills due to lack of knowledge and inefficient websites. Currently due to the difficulty in generating the E-way bills, the entire process of movement of goods has been slowed down.”

On the challenges, Malik says, “While logistics companies are doing very well today, there is still a lot of uncertainty involved in Tier II players. Tier I logistics players are still very highly priced and have not passed on benefits of scale to companies. There is a heavy dependence on documentation that can be better streamlined through efficient technology solutions like tracking and tagging.”

Elaborating on the set of challenges and roadblocks being faced as a retailer when it comes to implementation of effective supply chain, Malik talks about infrastructure particularly the conditions of the roads.

She says, “Although in recent years there has been an improvement, but still a lot more is needed. This coupled with a lot of documentation requirements lead to an uncertain lead time. During monsoons and extreme weather conditions, this lead time is further extended.”

However, she does add that there has been some relief as far as documentation is concerned as on the introduction of GST last year multiple taxes and multiple documents are done away with. A new e-way has also been built and hopes are high that it will ease the lead time as well.

Malik, however, shares some concerns with regards to the e-way stating, “The recent introduction of the e-way may cause some disruptions initially but are then expected to help smooth movement of goods without much harassment from various authorities. Another area, which may not be very relevant to us is the availability of proper storage facilities, particularly for perishable goods. While bigger companies are adopting advanced technology to make the supply chain efficient and robust, small and medium scale industries also need to have access to the benefits of these technological advances.”

Jain talks to challenges specific to his sector i.e. diamond jewelry, “Supply chain challenges stem primarily from the complexity induced by the range of stock keeping units that jewelry demands in its variety that is further accentuated by sizes, diamond qualities, regional preferences, price points preferred and coordinated ensembles. The increasing use of technology has helped cope with the complexity. However, while technology can manage complexity it does not mitigate uncertainty. Uncertainty in preferences, demand, regulatory changes make demands on organization mechanisms like teams, cross functional groups etc. that have to keep sharing information to respond to market conditions, competitive pressures etc. Diamond jewelry continues to be a closely held conservative business that remains fragmented despite the growth of organised retail. While new regulatory controls have brought more transparency and eliminated grey zones it will still take a while to bring in greater transparency.”

Dewar adds, “As aggregators, we are into all formats of QSR, which makes supply chain management across our various restaurants requires to be individually managed. In India, supply chain management is still in its nascent stages and the entire ordering process is still very manual, making it a challenge for us. Logistics too, which forms a very important part of seamless supply chain management needs to be developed further with the inclusion of GPS enabled vehicles to track their movements. If we are to be on par with other developed countries, these are two very important aspects which need to be worked on.”

He further adds, “As diverse as India’s culture is, her travelscape is equally so, and to tend to each variant in the sector, we need to understand the different nuances of each. Although we have the second largest road network in the world, logistics and supply chain management are not yet fully developed, keeping in mind, the location of most highways and roads being in remote locations. And while we also have the fourth largest railway network in the world by size, fully developing supply chain management in the sector is reliant on traditional small-midsized vendors who operated on a cash system, and in some cases are not too educated. With regards to the air travel sector, these are high security zones and entry into facilities is an elaborate process, often taking hours on end. At TFS, we follow a system with thorough internal checks and receiving audit frameworks to ensure products are supplied in the most desirable state. Therefore, we maintain high inventory levels and have to be extremely careful with supplies.”

Highlighting the challenge gripping the industry from logistic point of view, Vineet Kanaujia, Vice President – Marketing, Safexpress Pvt. Ltd. shares, “Due to the significant increase in customer expectation and demand over the last decade, time-definite delivery of goods has been the biggest challenge for the retail supply chain. Also, the demand for last mile delivery continues to be an uphill task for the industry. With the vast geographic spread of our country, time-definite delivery will continue to be a major challenge. And with congestion on the highways as well as inside city limits being at all-time high levels, managing last mile delivery has never been tougher.”

With access to 22,344 pincodes, Safexpress has been helping the Indian retail industry with warehousing support and time-definite deliveries of goods anywhere in India.
The Supply Chain Challenges: The growth in retail is outpacing the delivery of key infrastructure programs within India. This will only be exacerbated by the ongoing population growth and the rise of megacities. Technology costs have hindered retailers in the past however this is an area that retailers will need to have solid investment plans for the future. Modernisation of supply chains will require a combined effort from government, private industry and foreign investments. The challenges are also amplified by volatile demand and increasing expectation of the consumers, changing trends and preferences of the consumers, increasing number of SKUs and the huge Indian customer base ranging from highly populated metro cities to millions of sparsely populated villages.

Having the right pricing strategy and tools is another factor to consider. It is a well-known fact that 50 percent of promotions don’t generate the necessary ROI.

For a diverse market like India with many fragmented players, what works at national level doesn’t necessarily work at regional level. Executing a sledgehammer promotional strategy across the entire chain without understanding factors like local events, weather, localized competitors can result in suboptimal returns. Retailers need a pricing tool which not only helps them automate decision making across the enterprise but also provides important metrics like halo and cannibalisation to compete effectively.

Another tricky area for retail in India is that of last mile delivery. Indian retailers are tackling these challenges in ways that cannot be addressed by a cookie-cutter approach used in the developed countries. The preferred mode of delivery like trucks in these countries face a difficult time navigating the crowded streets. Postal services can be leveraged but they are known for delays. A new option in India is the use of couriers to deliver goods using smaller modes of transportation like motorcycles and scooters. It is a common sight to see these drivers carrying giant backpacks filled with merchandise. These drivers navigate narrow streets, potholes, and erratic drivers to deliver everything from ice cream to guitars to laptops. Without the use of these couriers to deliver, the e-commerce market as a whole would grind to a halt in India.

The Role of Technology in Supply Chain Management: Jain is quick to point out, and rightly so, that adoption of new technology is not a matter of choice but timing; organizations cannot insulate themselves from the same. He shares, “Though technology is widely deployed the depth of its penetration remains limited. Technological capability outstrips our ability to harness its possibilities though it inexorably invades our decision making. ORRA has chosen two platforms that are under integration ETP and ICSoft that drive point of sale demand to supply chain responsiveness.”

Acccentuating the benefits of technological advancements in boosting supply chain management, Gupta minces no words when he shares, “Due to lack of technology, there was a huge gap in the time taken between the arrivals of merchandise in the warehouse till the time taken to dispatch the goods as all the processes were then done manually. The introduction and advancement of technology has played a very important part in the supply chain, including the logistics and warehousing functions. We now have an electronically generated process which helps decide the key responsibility area which clearly indicates the cycle for the goods to come in and move out. The entire supply chain management functioning has evolved over a period of time and has been structured in a way to adhere to timelines accordingly which helps to reduce our working cycle capital of the overall supply chain management. For e.g., to track a package, earlier one would have to manually dial a number and call the logistic partner to find out where the package is, today most of the logistic partners have developed websites with GPS enabled systems thus making tracking easier.”

“We use an ERP call Genesis which is a retail solution. It has an inbuilt operation that tracks all the processes including billing, tracking and tallying the goods. It also helps us manage our inventory agent which is an important part as far as the supply chain is concerned,” he adds.

Kumar says, “At Lifestyle International we have successfully implemented Oracle ARS as well as TOC Symphony software apart from single view inventory (SVI) order management for effective last mile deliveries from warehouse.”

At Metro Shoes, the company has migrated to SAP as an ERP. According to Malik, this has enabled them to get accurate data on the movement of goods across the country. She explains, “SAP ensures that movement of goods and the accounting of those movements happens simultaneously. This enables us to analyse our data much closer to realtime and monitor the cost effectiveness of our processes. We have invested in TOC (Theory of Constraints) to automate replenishments to stores as well as analyse vendor effectiveness. This has allowed us to streamline our purchase process and capitalize on styles preferred by customers in a much faster time period. It is also the ability of our internal team to be able learn how to look at data effectively and base their decision making on data that has been vital in the optimization of these processes.”

The lack of sporadic robotics technology adoption is also a challenge. While robots are widely used in manufacturing and assembling, the supply chain function has remained technologically starved for a long time. In the last five years, e-commerce and logistics companies across the globe have pioneered adoption of advanced robotics technology to create high productivity warehouses and optimizing supply chains to match the dramatic evolution – in terms of volumes and values. The vital challenge now is faster adoption of new technologies and trends such as 3D printing, automation, robotics and big data in the supply chain function.

“More international retail companies and brands are investing in supply chain automation in other parts of the world. Our Butler system is being deployed in Japan, Europe and the Americas at a faster rate,” says Vivekanand.

Supply Chain Management & E-commerce: The onset
of e-commerce has played a huge role in having retailers work diligently on strengthening their supply chain management systems and practices. A large section of people has migrated to online shopping and they have become accustomed to having their products delivered to them within a day or so. Therefore, more and more retailers are upgrading their warehouses with some degree of automation as they race to deliver goods to the shoppers ever faster. The increasing demand for goods to be delivered, not only on time but on the same day is pushing the need for robotised warehouses which will make the whole process of sorting orders and delivery quicker.

Online players have been more receptive towards investing in automated supply chains as they do not have any physical stores and have relied completely on technology to run their operations. Many offline retailers could be seen as laggards in this trend simply because their development and growth may not have primarily depended on technology.

“The absence of technology and limited online presence, means that offline retailers are not faced with the kind of volume and surge ordering often witnessed by online platforms/e-commerce players. Hence, such players are not pressed to invest in automation at the warehouse level,” says Vivekanand.

According to Gupta, the introduction of the Omnichannel module has helped to bridge the gap in the supply chain. Elaborating further, he shares, “If you are running out of stock in a store in a particular category, the Omnichannel module helps to deliver the product to the consumer due to the specialization in deliveries of the Omnichannel partners. Additionally, even at the retail store, E-look books are available which helps the customer to browse through and place their orders which can then be delivered at their doorstep. To cater to our customer’s needs, we too have started the Omnichannel module. It will keep the pressure off from the normal logistics and supply chain function and they can save the cost of transferring the goods from one location to another.”

**Sourcing Manpower:** Effective human resource management is often the biggest hurdle to overcome for businesses across genres. Besides lack of skilled manpower, it is the attrition level that increases that challenge of having the right team in place. Supply Chain Management until recently faced a huge challenge when it came to sourcing of manpower owing to two reasons – being a backend process, not many opted for a career in supply chain due to lack of exposure and excitement and secondly because the industry was at its nascent there was a lack of organized training. Though things are changing gradually.

Gupta says, “As far as sourcing talent is concerned, there is no problem as the retail industry is now considered to be growing successfully at a fast pace. With courses specializing in supply chain management and the introduction of technology, it is now becoming easier to source talent as opposed to earlier times.”

One of the leading logistics company in supply chain management, Safexpress Pvt. Ltd. has set a lot many standards for the industry to follow. From a world class logistic parks to a well-equipped transportation system in place, the company has a team of efficient skilled manpower as well.

VineetKanaujia of Safexpress says, “Training has a huge role to play in this industry, and we have been focusing heavily on the same. This has helped us in managing an employee retention rate which is way ahead of the industry average.”

**EOSS & Supply Chain Management:** A mad rush to grab discounts and offers is common during the EOSS. But it is only those brands that can cater to the demand of customers in terms of size and style will see an inflow of customers during the next EOSS. Hence the role of supply chain management is ever so important during EOSS to ensure that the store is well stocked.

Gupta says, “During EOSS, the movement of goods is faster as compared to the normal period, thus ensuring timely replenishment of goods is a must. Especially in retail chains, there is a term called pivotal sizes which includes 28-36 sizes as 80 percent of the demand is in these sizes. This is where the auto replenishment technology is extremely beneficial to the supply chain ensuring timely deliveries. There should not be any deliveries planned which will take longer period to reach the customer as it will increase the stock only without increasing the sales.”

**Brand Speak:** On the supply chain management system in place at Metro Shoes, Malik reveals, “We have over 415 stores of 4 different brand formats – Metro, Mochi, Walkway and Crocs, in 110 cities in India. For Walkway we also have shop-in-shops format in DMart stores. We retail our in-house brand as well as other brands such as Clarks, Skechers, Fittlop, etc. In case of in-house brands, the goods are received from the vendors as per purchase orders raised by our buyers in our central warehouse at Bhiwandi. The vendors are from Mumbai and from other cities such as Agra, Kanpur, Delhi, Chennai. We receive goods in our warehouse and dispatch it to 110 cities across India from our centralized warehouse. It takes between one to seven days to receive the goods from the warehouse to a store, depending on the distance of the store from the warehouse. The dispatches are on daily basis. After the introduction of GST, the company has been preparing tax. There are detailed processes in place at the warehouse to ensure control over inventory and safety. The goods at various stages of processes are recorded and daily MIS is sent to the management which covers the goods received, processed and dispatched highlighting any delay in processing or dispatch. Very recently, the company has implemented SAP ERP in the warehouse in place of warehouse management system and the inventory is kept style/item wise in these bins so that it is tracked through system.”

She further adds, “In case of other brand’s goods, they are dispatched by the manufacturer or distributor to our stores directly as these are from organized players and there are generally no quality issues. On receipt of goods at a store, they are checked for any damage or discrepancy in quantities and then added in the stock..."
and discrepancy is intimated to the warehouse or the supplier for corrective action. The goods received at the stores from customers for repairs are sent to repair depots in Mumbai and after repairs sent back to the stores for delivery to the customers. We run our e-commerce operation through a separate warehouse facility where we conduct Flipkart and Amazon processes through our own warehouse. We currently work with eight portals in India."

At Being Human Clothing (Mandhana), the company has a warehouse of approximately 25,000 sq.ft where they manage almost around 30 lakh pieces in a year with a team strength of about 50 people. There is a manager’s role in the entire process. The company has also partnered with various logistic partners depending on the zones to ensure a quicker turn around /in the respected areas. From ensuring the sourcing is done on a timely basis from the different vendors to management of the goods to decrease the time taken to dispatch, each and every minute detail is carefully taken note of to ensure timely deliveries to the consumer.

At ORRA, the front end and the backend of the supply chain use two different but integrated technology platforms. The key functions of the supply chain team include, diamond and metal procurement, production planning and control, vendor selection and management, quality control, pricing, distribution, repairs and custom order management apart from support processes of audit and raw material inventory management. The staff strength of the supply chain team is approximately a third of the total HO staff.

Providing the Best Service: Talking about the services offered by Safexpress, Kanaujia says, "Safexpress covers all 720 districts of India through its massive distribution network of over 620 destinations. The company has a fleet of over 6,000 GPS-enabled vehicles, operating 365 days a year on more than 1,000 defined routes across the country. The firm delivers in excess of 100 million packages to over 5,000 corporates in India. We offer 3PL solutions ranging from designing, implementing to operating the complete supply chains of companies. These solutions help in reducing costs, streamlining delivery schedules and enabling organizations to focus on their core competencies. The 3PL services offered include inventory management, packaging, labeling and reverse logistics and the services are supported by 35 ultra-modern Logistics Parks and a total warehousing space of over 14 million sq.ft. across India."

Besides logistical support, Safexpress also offers value added services in the form of supply chain consulting. Kanaujia adds, "The team of consultants is vastly experienced and offers global know-how, best practices and cutting edge technology solutions, to make an organization's supply chain model more dynamic. We create strategies which focus on processes and technologies required to drive growth and profitability. The consulting services include planning, strategising, network designing as well as end-to-end supply chain implementation." It is interesting to note that Safexpress has been early adapter of technology for ease of taxation. Kanaujia shares, "We are India's first logistics service provider to adopt Oracle Fusion Cloud, the next generation compliance and accounting solution for instant GST accounting. With GST having been implemented for more than a year now, technologies like Oracle Fusion Cloud ensure accounting compliance which is proving to be crucial from a customer perspective. This has led to a considerable increase in demand for our services."

The GreyOrange Butler goods-to-person solution for automated material movement in warehouse also caters to end customer, retail stores and production floors. The AI-powered Butler robots, using Machine Learning, are able to react to various situations as well as adapt to scenarios such as seasonal peaks, or surge in demands due to flash sales. In 2018, they introduced the AI-powered Butler XL that can be used in manufacturing facilities and Omnichannel warehouses, to move different kinds of loads from raw materials to finished goods.

Talking about another innovation by the company, Vivekanand says, "The GreyOrange sorter is an advanced sortation system that automates outbound profiling and sortation process in fulfillment and distribution centres. It is a conveyor based system that routes packages based on customized logic such as destinations, cut-off times, vehicles, cities, zip codes and more. This system enables faster sorting of same and next day deliveries. This is very useful for month end scenarios in Retail / FMCG sector."

NirajanThirumale, Senior Vice President & Managing Director of Global Centers of Excellence (India, Poland, and Mexico) at JDA Software says, "JDA can address the end-to-end retail supply chain to assist retailers in delivering a profitable Omnichannel shopping experience for their customers.”

He talks about the three key areas that JDA solutions cover are Intelligent Planning, Intelligent Fulfillment and Intelligent Store: JDA Intelligent Planning which parses data from all demand channels, JDA Intelligent Fulfillment which synchronizes all physical and digital order demand channels and JDA Intelligent Store which aligns inventory, labour and store operations with demand, merchandising and fulfillment tasks.

In conclusion, effective supply chain management unlike before is not plagued with challenges that cannot be tackled, all thanks to technology and the changing mindset of decision makers.

Where the Government is seen working towards building a strong infrastructure, companies and brands too are realising the need to invest in supply chain as that truly is the backbone of the organisation.

When a product fails to reach the customer the way it is intended to, the entire purpose stands defeated. Outsourcing supply chain management to industry experts such as Safexpress can boost the companies' allocation of resources and when in able hands, logistical challenges can be turned into opportunities.

Source: www.retailnews.asia
AHMEDABAD BRANCH

Report on 15th June 2019: Ahmedabad Branch organized a talk on "Strategic Negotiations" by Mr. Vivek Ganatra, who is Associate Manager Techno Commercial – Adani Ports & SEZ, in lecture hall of Ahmedabad Management Association on 15th June 2019 under its Knowledge Augmenting Series.

Audience consisted of 50 hard-core professionals who enjoyed the talk thoroughly.

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

Dear IIMM Family good evening...

Speaker of Day Mr. Vivek Ganatra, Members of Ahmedabad Branch, Today’s Invited Guests, Ladies and Gentlemen, I extend a very warm welcome to you all on behalf of Executive Committee of IIMM Ahmedabad. Today, we have honored with presence of my dear friend and very knowledgeable yet humble personality Mr. Vivek Ganatra who will enlight us on Negotiation Strategies.

Mr. Vivek Ganatra an eminent speaker will be giving us insight on topic, which is very much relevant to materials management people like us. This will increase our knowledge & awareness. We are grateful to you sir for this act of kindness.

Mr. D.K. Goswamy will soon introduce him and the subject.

Friends, IIMM is a unique institution having 55 branches across India and Ahmedabad is one of them.
Out of national membership of 11000, we in Ahmedabad Branch contribute 400 members and we are targeting further for 500 marks. Some of you who are still not member should acquire membership immediately. I promise you that you will get value for your money.

Mr. Sudhir Shah who steers Membership Desk will appraise @ membership.

We are a very popular institution in city of Ahmedabad, which conducts evening lecture programs every month for members, and select guests. Today’s program is our marathon 105th knowledge enhancing program since last Decade without any break. We are happy to announce that we have again created history by Celebrating MM Day last month with Historical landmark event almost 235 of our Members with their family was part of this celebration. Thanks to Mr.DKG for guiding and make the dream true. We are in process of printing self-financed Quarterly newsletter and need Advertisements and Articles for the same I urge all of you to contribute on this front.

Our admissions to AICTE approved courses PGDMM and PGDSCM &L are going on. You can enhance your knowledge with these courses to serve Nation better. Our Distinguish member and Course coordinator Mr.Anil Patil will update us on education front soon.

Today we will be welcoming New Members in IIMM family. You are all most welcome to stay here this evening. I hope you enjoy the rest of the program and thank you for sharing this special event with us.

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

Good evening all,

India had been the leader in the world trade during the medieval period. India contributed for almost 25% of the world trade. However, when British left India our contribution was a meager 2% of the world trade.

Inians have been traditionally business oriented. Gujarat had the special genetic make up for business. It is the skill for dealing with people and especially the negotiation skill which makes or mars the business.

We are happy to have with us Mr. Vivek Ganatra who would make a presentation on this difficult and tricky subject of Strategic Negotiations with a live case study.

Mr. Ganatra is our life member and has been a regular speaker for IIMM.

He is BE in Instrumentation & Communications from Nirma University. He has always been a top ranker in the university. This top ranker subsequently became the youngest member on Board of Studies in his alma mater Nirma University.

His zeal to excel in his chosen field of Supply Chain Management made him hungry to acquire the special knowledge and he did his Post Graduate Diploma course in SCM.

Learning continues. He is still a student and pursuing his Post Graduate Diploma in Materials Management from IIMM.

Currently, he is working as Associate Manager Techno Commercial Procurement and Contracts with Adani Ports & SEZ Ltd.

He is a recipient of the Adani CEO award for breaking monopoly, TCO & Strategic negotiations for past 3 years. He got special recognition for the passion, dedication and enthusiasm towards work.

His employers deputed him to participate in the Global Automation User Conference in Singapore in 2015. He was also selected as a Star Performer amongst 2000 employees in two categories best project and best individual with Rs.2 lakhs special recognition reward. He had selected for business transformation initiatives taken up at the group level for capital projects.

He is a corporate trainer within/ outside the organization in the Supply Chain Management field. He had honored as the brand ambassador for Adani Group. Please put our mobile on silent mode after informing your spouse that you are in an urgent meeting. I would like to invite Mr. Ganatra to the dais. Let us welcome him with a big round of applause

Synopsis of Mr. Vivek Ganatra’s talk on “Negotiation
Strategies “as follows.

1) Vision, Mission & Strategy
2. What is a strategic negotiation?
3. How do I apply strategic negotiation?
4. Case Study
5. Key takeaways

What is a strategic negotiation? – Strategy!
Strategy and its management in a business consists of the analysis, decisions, and actions an organization undertakes in order to create and sustain competitive advantages.

Analysis: Strategic goals (vision, mission, strategic objectives) Internal and external environment of the firm

Decisions: What industries should we compete in? How should we compete in those industries?

Actions: Allocate necessary resources Design the organization to bring intended strategies to reality

What is a strategic negotiation? – Negotiation!
Negotiation is a dialogue between two or more people or parties intended to reach an understanding, resolve points of difference, to gain advantage for an individual or collective, or to craft outcomes to satisfy various interests.

- The art of negotiation has been replaced by the science of Negotiation.

- It is based on long-term relationships between the buyer and the Seller—not a short-term advantage of one over the other, but in true partnership seeking to reduce cost and improve value and Performance

What is a strategic negotiation? – Competitive Advantage/ Dis-advantage
1. Quality of product
2. Service
3. Delivery Time or Turn Around Time
4. Price/ Cost advantage
5. Product Specification/ distinguish feature
6. Supply Assurance
7. Backward & Forward Integration

What is a strategic negotiation? – Focus ROTI
R – Return, O – On, T – Time, I – Invested

How do I apply? – Identification

How do I apply? – Key three areas to focus:

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<tr>
<th>Price-Related Savings</th>
<th>Non-Price-Related Savings</th>
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1. Strategic Sourcing
2. Improved Procurement Practices
3. Effective Demand Management

1. Volume discounts
2. Retrospective rebates
3. Price stability
4. Price variation formulae
5. Price / cost breakdowns
6. Payment terms
7. Currency of payment
8. Deferral of price increases
9. Delivery costs
10. Delivery lead times
11. Payment terms
12. Delivery location[s]
13. Delivery frequency
14. Emergency response

15. Maintenance contracts
16. Spare parts pricing
17. Collection of surplus goods
18. Installation costs
19. Commissioning costs
20. Manuals, drawing and plans
21. Consequential loss
22. Training and support services
23. Health and safety issues
24. Packaging
25. Returnable packaging
26. Insurance
27. Specifications
28. Samples for testing purposes

Few examples # - Vendor managed inventory

29. Translations
30. Buy back agreement
31. Performance guarantees
32. Warranties
33. Promotional support
34. Priority during shortages
35. Consignment stock
36. Packaging cost
37. Extended warranties
38. Special storage facilities
39. Supplier inventory
40. Contract duration
41. Terms and conditions
42. Access to modification/update

Few examples #2 - Risk transfer & focus on core
Key messages from today’s session...

- Organizations are adopting strategic sourcing to establish a holistic approach to manage their sourcing requirements and to build a more proactive approach to the various supply chain disruptions.
- By aligning the business goals and requirements to the right suppliers with the right capabilities, organizations maximize their performance and gain a competitive edge over their peers.
- Furthermore, by leveraging the power of automation technology for strategic sourcing, business units are empowered to optimize their sourcing.
- With these elements in place, what had seemed an impossible Negotiating task becomes one that is merely challenging?

Momento to honored speaker with the hands of our Life member and senior personality Mr. Ajay Gupta

Our Distinguished member Mr. Sudhir Shah who is steering membership committee informed us that Ahmedabad Branch has crossed 400-membership mark by renewing almost 17 member and adding new members, He explained in details about Scheme “Refer a successful life member and Win Sky bag Worth Rs 1800 free”

He introduced following new member to IIMM family

1) Mr. Snehal Soni 2) Mrs. Veena Parikh 3) Ms. Kartika 4) Mr. Prakash Datania 5) Mr. Aakash Patel 6) Mr. Manan Kadia 7) Mr. Niraj Dave 8) Mr. Sanjay Shah 9) Mr. Nilesh Modi 10) Mr. Awadhesh Yadav 11) Mr. Harshit Tripathi 12) Mr. Hiren Trivedi 13) Mr. Suresh Kamdar (conversion to Life member) 14) Mr. Nirav Shukla 15) Mr. Jitesh Chavda. 16) Mr. Dhaval Kapadia. 17) Mr. Sanjiv Rathod.

Welcome to IIMM Momento to New members were presented by our EC member Mr. Purvish Patel, Mr. Nitin Kediya, Mr. Suresh Kamar, Mr. Malay Bhavsar, Mr. Gaurang Goswami our EC Member in his closing remarks said:

Dear Friends,

On behalf of all, I express our sincere thanks to today’s speaker Mr. Vivek Ganatra for sharing their knowledge on Negotiation Strategies and enlightening us on such an important subject by sparing his time to address us.

Today we heard Mr. Vivek Ganatra on a important topic about “Strategic Negotiations”. We understood the hidden terms and conditions while negotiating. We have today received the guidelines to be followed while negotiating different types of requirements.

I will also like to thank our young & dynamic Chairman Mr. Pankaj Panchbhui whose guidance is with us behind every success story in IIMM Ahmedabad chapter.

I would like to thanks to Our EC team members specially very senior Past Chairmans and distinguish members Mr. D.K. Goswamy who have facilitated the talk of today’s speaker, Mr. Sudhir Shah for apprising on membership front and Mr. Anil Patil for enlighting us on educational activities.

We thanks to Mr. Dasharath bhai and Mr. Nilesh bhai for live video recording of session courtesy Mr. Purvish Patel. I also convey our gratitude for our audience members and guests. We heartily welcome our new life and annual members mostly young ones, will be the future pillars if IIMM. Please take advantage of the weekend training programs on Materials Management.

We request the guests to obtain the membership form and we assure that you will get value for money invested rightly.

AURANGABAD BRANCH

IIMM Aurangabad have conducted evening Seminar on “Chanakya’s 7 secrets of leadership for Strategic Business Planning” on 8th June 2019, Saturday, at Hotel Ambassador Ajantha, Jalna Road, Aurangabad.

The speaker for this event was Dr. Radhakrishnan Pillai Deputy Director Chanakya International Institute of Leadership Studies (CIILS), University of Mumbai.

Dr. Pillai is the author of 8 Best Selling Books on Chanakya. He has researched Kautsliya’s Arthashastra
extensively and has a Master’s degree in Sanskrit. He has been a trainer and strategy consultant to over 200 organisations like Indian Army, Navy, Airforce, Indian police, various NGO’s, private, public sectors and government organisations.

During this event, Dr.Pillai elaborates about the Chanakya’s Seven Pillars of Leadership. Chanakya describes this leadership model in Book 6, Chapter 1, Verse 1 of the Arthashastra.

"Swami, Amatya, Janpada, Durg, Kosha, Dand, Mitra" (6.1.1)

The king, the minister, the country, the fortified city, the treasury, the army and the ally are the constituent elements of the state. Any kingdom can be classified into seven parts, which put together make the kingdom complete.

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<th>The Secret</th>
<th>Represents Today in an organization</th>
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<tbody>
<tr>
<td>Swami</td>
<td>The king (The leader)</td>
</tr>
<tr>
<td>Amatya</td>
<td>The minister (The king’s advisor &amp; councilors, manager)</td>
</tr>
<tr>
<td>Janpada</td>
<td>The country (The citizens)</td>
</tr>
<tr>
<td>Durg</td>
<td>The fort (The housing)</td>
</tr>
<tr>
<td>Kosha</td>
<td>The treasury (Money)</td>
</tr>
<tr>
<td>Dand</td>
<td>The Army (The team)</td>
</tr>
<tr>
<td>Mitra</td>
<td>The Ally (The friend)</td>
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</table>

A happy kingdom consists of an ideal king (swami) as a leader, guided by able ministers (amatya), who takes care of the citizens (janapada), providing them good infrastructure and facilities (durg), making sure the treasury (kosha) of the state and the people is always full, which is protected by an able army (dand) and helped by good allies (mitra).

This model gives us a big picture of leadership. In the present scenario, a chairman or CEO will need to understand all above. Dr. Pillai shared lot many examples to define true leadership.

The Chief Guest was Mr. Ramesh Gehaney, Executive Director and Chief Operating Officer, Endurance Technologies Limited, Aurangabad. 100+ people from Industries like Endurance, E & H, AEPL, Bagla group, their Vendor Base, Morgen Advance Materials, Dhoot Transmission, Sanjeev Auto and Also Engineering College staff, Doctors, Accounting personnel’s, attended the same.

Branch Chairman Mr. K. Srihari about the branch activities and focus areas of IIMM. He also appealed for becoming IIMM members to delegates, who are not IIMM members. Proceeding for the program was done by Vice Chairman Mr. Sushant Patare VP (West) Mr. Jitesh Gupta, NC Member Dr. Narendra Joshi, Chairman Mr. K. Srihari, Vice Chairman Mr. Sushant Patare, Hon. Secretary Mr. Milind Ghogale, along with Treasure Mr. Lalit Lohade, EC Members - Mr. R.D. Jaulkar, Mr. Shrikant Muley, Mr. Santosh Pande, Mr. Yogesh Khose, took efforts to make this event successful. Vice Chairman Mr. Sushant Patare offered “Vote of Thanks”. Program was concluded by National Anthem.

BANGALORE BRANCH

8th May 2019 – Evening Lecture Program: Indian Institute of Materials Management, Bangalore Branch, conducted Professor Ravi Ravindran annual endowment
lecture on the topic “Smart Service Systems” by Dr. Vittal Prabhu - Fulbright-Nehru Fellow (2018-19), IIIT-Bangalore, Director, Service Enterprise Engineering (SEE 360) Initiative, Chair, Consortium for Digital Enterprises (CODE), Professor, Marcus Department of Industrial and Manufacturing Engineering, Penn State...

Mr. Srinivas V. Rao, Branch Chairman welcomed the dignitaries and gathering and briefed about program. Prof. Ravi Ravindran Symposium Organizing Committee had approached IIMM Bangalore Branch about three year back in March 2016 and expressed their desire to conduct Prof. Ravi Ravindran Endowment lectures in the area of supply Chain Management every year in Bangalore for the benefit of IIMM fraternity which includes their Members.

IIMM Bangalore has compiled this program with a high visibility and nexus with top profile industry-academia event with participation from various manufacturing and service sectors. The key pioneers to make this event happen along with IIMM Bangalore Branch are Prof. Sadagopan, Prof (Dr) P Balasubramaniam and Mr. Harsha Kestur, all of them have been closely associated with IIMM for past many years. Indeed IIMM Bangalore Branch is grateful to have such wonderful eminent academicians towards this Endowment Lecture program.

Ever since 2016, IIMM Bangalore has been hosting this signature event of Prof. Ravi Ravindran endowment lectures in the area of Supply chain Management, which is a free program for IIMM Members, fellow SCM professionals and academicians. This also serves as an excellent platform for exchanging their thought process, views, ideas and a good networking. Mr. Srinivas Rao also mentioned that IIMM Bangalore Branch also have received many accolades from the attendees for this annual program.

Dr. P. Balasubramanian briefed about Professor Ravi-Ravindran profile. Mr. K.C. Harsha, N.C. Member proposed vote of Thanks. About 100 members from various industries attended the program, which was followed by dinner.

6th June 2019 – In house Training Program: Indian Institute of Materials Management (IIMM), Bangalore Branch conducted In house Training program on “Best Practices in E-Procurement” for executives of ARIBA Technologies on 6th June 2019 at their premises. Mr. G. Balasubramanian, Sr. Faculty handled the session and covered contents on introduction to E-Procurement, Understanding E procurement and become familiar with E procurement tools, Assess, E procurement needs of an organization, Developing E procurement strategy, Select right E procurement solution, Implement and Develop performance measures and identifying likely impact of E procurement of purchase department and he also discussed some case studies.

The program was very interesting with good interaction from the executives and speakers. The feedback received from participants has been rated at “Very Good”.

14th June 2019 – In house Training Program: Indian Institute of Materials Management (IIMM), Bangalore Branch conducted In house Training program on “Store – Warehouse – Inventory – Efficiency and Increasing Productivity” for CII participants on 14th June 2019 at their premises at Indore. Mr. B. Jayarman, Sr. Faculty
COCHIN BRANCH

Cochin Branch organized a workshop on “5s advanced the best tool for Lean business and Productivity” on 14th June 2019 at The Renai Hotel, Cochin. The program was well attended by participation from Industries across Kerala. Branch Chairman, Shri. Roby TA conducted the sessions with a 5s simulation exercise which was well appreciated by the participants.

He affirmed that the sustainability of 5S Discipline dependant on the total involvement of all the stakeholders of a business from top to bottom and associated and with how the 5S disciplines are getting integrated with the & M’s (Men, Machine, Materials, Materials Handling, Method, Measurement, Money). He also reiterated that, %S is not just housekeeping activity, it is creating a disciplined culture by rules and regulations through SOP’s, WI, Check lists, Work / Process Flow matrix, Flow charts, Signaling mechanisms along with highly visible “Visual Management” system.

There are lot of tools that can support the best implementation of 5S like, Kaizen, Kanban, 5 WHY, and 4D principles etc. He also explained how to create a 5S implementation strategy in the business and align this with the business functions for sustainability and become global leaders in manufacturing or business activities. He also said that 5S will create a self discipline and personnel growth.

KOLKATA BRANCH

INAUGURATION OF 61 BATCH of GDMM COURSE : 61 Batch of GDMM Course was formally inaugurated on Sunday, the 3rd February, 2019 at IIMM Hall at 10.00 a.m. Altogether 34 students enrolled for the 61 Batch of GDMM and all were present on the inaugural ceremony. Mr. D K Acharyya, Course Co-ordinator, Mr. Kallol Ghosh. Hony. Secretary and Mr. Koushik Mukherjee, Hony. Treasurer of IIMM Kolkata Branch graced the occasion. Mr. D K Acharyya in his discourse drew an outline of the GDMM Course and its weighting in supply chain profession as a whole. Mr. Kalloj Ghosh while welcoming students in IIMM Family, briefed about the activities of IIMM in SCM Profession. Mr. Koushik Mukhejee advised the enrolled students to be attentive in classes and get in touch with IIMM for their professional upliftment. The enrolled students were handed over Course Materials and Course Kits. The Inaugural Ceremony was followed by Working Lunch.

IIIMM Kolkata Branch in collaboration with Ortho Clinical Diagnostics organized “Connect” - Healthcare Leaders’ Workshop on April 6, 2019 at The Gateway Hotel, Kolkata. The themes of the Workshop are a) Changing Paradigms in Materials Management. b) Quality Vs. Cost, c) Enhancing Patient Care and d) Patient Centric Supply Chain. IIIMM Kolkata contributed in the Workshop as Knowledge Partner. Sixty Delegates from Corporation Healthcare Organizations attend the Workshop. Dr. Rupak Barua, CEO. AMRO Group of Hospitals, Dr. Rupali Baku, CEO, IQ Medical College & Hospitals, Mr. Aparna Roy. GM (Operations), Tata Medical Centre. Mr. Kalloj Ghosh. Hony. Secretary, IIIMM Kolkata Branch and General Manager (MM), Tata Medical Centre and Mr. Koushik Mukherjee. Hony.
Mr. Kallol Ghosh, Hony. Secretary, IIMM Kolkata Branch, steered the Convocation Ceremony upholding the status and dignity of the Institute. Mr. Animesh Chattopadhyay, Chairman, IIMM Kolkata Branch, welcomed the dignitaries, guests and successful students who were going to obtain the coveted GDMM Diploma. Dr. Gautam Sengupta, in his Convocation Address, stressed on requirement of trained manpower to have a competitive edge in stiff competition in trade and industry. According to him, GDMM Diploma Holders would be the ultimate choice for the supply chain profession as the GDMM Diploma is widely acclaimed and recognized by trade and industry throughout the country. He wishes every success of the GDMM Diploma Holders in their future endeavour of career ladder. Dr. Sengupta also invited the GDMM Diploma Holders to pursue study in supply chain profession and enroll themselves in CRIMM (Centre for Research In Materials Management), presently functioning in collaboration with IIMM and Techno India University. Mr. G K Singh, National President, IIMM, in his address highlighted the activities of IIMM being carried out by its Branches and Chapters throughout the country. He also placed on record sincere appreciation to the Executive Committee of IIMM Kolkata led by Mr. Animesh Chattopadhyay as its Chairman for organizing the 34th Annual Convention in such a glamorous way. Mr. K M Bhardwaj, National Vice President (East), in his address to the successful students made a clarion call to get in touch with their Alma Matter, i.e. IIMM throughout their career.

He also invited them to contribute to the cause of IIMM. Altogether 42 successful students were awarded the GDMM Diplomas by Dr. Gautam Sengupta, Vice Chancellor, Techno India. A colourful Souvenir commemorating 34th Annual Convocation has been brought out by the Chief Guest. Mr. Santanu Banerjee of 55 Batch of GDMM was awarded Gold Medal for securing 1st Class 1st with Distinction and Ms. Barnali Shome of 55 Batch of GDMM was awarded Silver Medal for securing 1st Class 2nd Position. On the Annual Convocation Dias, the National President awarded “President’s Gold Medal” to Mr. D K Acharyya, Course Coordinator, Mr. A K Dey, National Councillor, Mr. Joydeep Basak and Mr. R K Maheshwari, both Executive Committee Members of IIMM Kolkata Branch for their commendable work to the cause of IIMM. Mr. Tapas Chakraborty, Education Officer, IIMM Kolkata Branch, was also awarded the “President’s Gold Medal” for his valued service for the furtherance of Professional Management Education for more than two decades at Branch level.

Members including faculty members, guests and spouses and parents of the successful students attended the Convocation Ceremony. Mr. Kaushik Mukherjee, Hony. Treasurer, IIMM Kolkata Branch, offered Vote of Thanks. There was a sumptuous Packet Dinner for the attendees of the Annual Convocation and all of them enjoyed it very much.

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MUMBAI BRANCH

One Day Workshop on “Contract Management” was held at Conference Hall, Administration Building, JNPT, Sheva on 12th June 2019. The Co-ordinator of the program was Dr. Ramesh Shete and the faculty was Mr. Surendra Deodhar. The program was well received by the participants.

Free Guest lecture was held at IIMM Thane Campus for IIMM members and IIMM students on 14th June 2019 on “Best in Class Procurement Practices in FMCG industry” by Mr. Ashish Bansal – Head India Procurement – Colgate Research Centre.
“DIGITALIZATION STRATEGY FOR RESPONSIVE & SUSTAINABLE GLOBAL SUPPLY CHAIN MANAGEMENT”

SCALE 2019
INDIA’S PREMIER INTERNATIONAL CONFERENCE ON SUPPLY CHAIN & LOGISTICS

Resounding success and popularity of all the earlier SCALE events has prompted IIMM, Bangalore to proudly present its 19th edition of SCALE - 2019. This event is a feast to Supply Chain Professionals and is eagerly awaited by all.

Around 200 delegates consisting of CEOs, CPOs Heads of Materials and Supply Chain Management Professionals are expected to attend this event.

The theme for SCALE 2019 - “Digitalization Strategy for Responsive and Sustainable Global Supply Chain Management” is an appropriate theme and need of the hour. IIMM Bangalore has always been proactive and when it comes to preparing professionals for the challenges of time and market environment.

The endeavor is to always march towards developing the innovativeness and intelligence in the professionals so as to initiate farsightedness which is the competitive edge in the field.

Two days active deliberations featuring presentations by many eminent captains of industries and practicing professionals will have valuable knowledge sharing, case studies, lessons learnt, etc. on a new found situation.

**Date:** 22nd and 23rd August 2019

**Venue:** Hotel Royal Orchid, HAL Airport Road, Bangalore

**DELEGATE REGISTRATION**
| IIMM Members: | Rs. 7,000 |
| Non-Members:  | Rs. 7,500 |
| Group of 5 or more | 10% Discount |
| From the same organisation’ | |

- GST @ 18% is payable on the above fee

**SOUVENIR ADVERTISEMENT TARIFF**
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Indian Institute of Materials Management

BHARATIYAM SAMAGRI PRAQISHAN SANSTHAAN

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★(Send 1 additional photo for I-Card)

SERVICING BRANCH

No.

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Designation ___________________________

Name of Organization ___________________________

Office Address ___________________________

Tel. & Mob: _______________ email ___________________________

Home Address ___________________________

Tel. & Mob: _______________ email ___________________________

Educational Qualification ___________________________

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

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Membership of any other Professional organization

Your Blood Group ___________________________

Your Date of Birth ___________________________

Where will you like to receive the IIMM mail: ☐ OFFICE ☐ HOME

UNDERTAKING
I wish apply for membership of the institute with appropriate status.
I certify that all information supplied in the application is true and correct.
I undertake to abide by all rules & regulations of IIMM as on date and to be revised in future.

Eligibility: Associate: ___________________________

Others: ___________________________

Applicant’s Signature ___________________________

Date: ___________________________

REFERENCE
(From IIMM Member / your immediate senior organization where worked / working who have a personal knowledge of IIMM)

Signature 1st Referee ___________________________

Name: ___________________________

Designation & Company ___________________________

Mobile: ___________________________

Email: ___________________________

Dated: ___________________________

Signature 2nd Referee ___________________________

Name: ___________________________

Designation & Company ___________________________

Mobile: ___________________________

Email: ___________________________

Dated: ___________________________

REMITTANCE DETAIL
I hereby enclose my Annual Subscription and Entrance Fees of Rs._______________by way of Cheque / Demand Draft No.__________________________
dt.__________________________drawn in favour of “Indian Institute of Materials Management”

Prepared by Society IIMM, NHQ Branch
**EXECUTIVE HEALTH**
**THE FORGOTTEN MIRACLE DRINK**

Dr. Lakshmi Annadata, Specialist in kerala Panchakarma
drlakshmi99@gmail.com

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Well water, pond water, rain water ..., there are many types of water and each has a therapeutic value according to Ayurveda, just as healthy food does. Have you ever questioned yourself "why, is it drinking water gives you energy?"

According to Ayurveda Water represents soma, the nourishing, cooling quality that is associated with lunar energy. It helps with digestion and nurtures (cools and balances Pitta dosha), lubricates (supports Kapha), and also detoxifies (counteracts the dryness of Vata) when it flows out of the body thus water regulates all functions of the body.

Many think Dry mouth is the sign of thirst and cause of dehydration, which is a misconception because our salivary glands produce ample amount of saliva to chew and swallow food properly. Modern medical science says, the cause for many disease etiologies is “UNKNOWN”. But according to the classical Ayurveda and also through rigorous research throughout the world conclude that Dehydration is the underlying cause of many diseases. Dehydration settles in the body expands gradually produces so many signs and symptoms in the body resulting in disease conditions. The body indicates its water shortage by producing pain, the most severe pain that can imagine by producing pain, the most severe pain that can imagine.

And that’s why we should not treat the congestion of histamines because of the sharpness of the agni (heat) in the water and because of the sharpness of the spices. Over time, it cleanses the channels so the water is unobstructed as it travels into the body to hydrate the tissues, and helps in expelling settled undigested weast (ama). An ayurvedic expert can design a therapeutic water recipe to give a specific benefit (One water recipe might enhance immunity; another might cleanse the skin; another might help with prostate imbalance). Ancient texts talk about the difference in the rate of absorption of regular water vs. boiled water:

1. **Regular water** — takes about 6 hours if every channel is clear.
2. **Boiled and cooled water** — takes about 3 hours to be absorbed, and helps open the channels.
3. **Hot herbalized water** — takes about ½ hours, due to sharpness of agni and herbs and spices.

Many question me either in the hospital or in the health awareness program, how much water is enough per day? Usually we pay lots of attention to food what we eat, but we don’t pay as much attention for water we drink. How much water you should drink depends on your age, how much physical work or exercise you do, the weather, your diet, your stress levels, your herbal food supplements, and your body type. Water can be room temperature or hot, but should never be ice-cold, as that would douse the digestive fire. We need water for the body that is what the design of the human body is all about. From water, dependent on water and survives on water.

You will be surprised how something as simple as water can enhance your health.

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The healing effects of water can be enhanced using Ayurveda methods.

Kids when they are thirsty they drink water as we age our sense of thirst diminish like most other senses. Sometimes people have dry skin and unquenchable thirst even though they drink lots of water because the deeper physiology is not getting enough moisture. This occurs when the person’s agni (digestive power) is low and ama (settled undigested toxins) blocks the microchannels (shrotas) which carry water to the cells. Here we have to understand that “its not just the amount of water we drink it’s the quality of water that we drink is most important. That’s why so many different disease conditions occur throughout the life of people who are not drinking water but drinking alternative fluids which don’t substitute water in the body. Caffeinated beverages, alcoholic beverages, sodas with artificial sweeteners and excess fruit juices they don’t substitute water. We cannot replace water with anything. Thus Water has become the vehicle for change in the present structure of medicine.

In order to cleanse the channels and enhance moisture absorption Ayurveda recommends various methods. Boiling the water for various lengths of time, creating therapeutic water called ushnodak. Another method is to add spices or herbs to the water after boiling.

When the water boils, it gets charged with heat, here the water structure changes extraordinarily becoming sharper in quality (s ooksha), allows it to cleanse the channels and penetrate deeper levels of the cell physiology. The added Spices create a therapeutic effect by interacting with the charged water on the molecular level. Different Spices create different effects on the body through aroma and basic properties (rasa, guna, virya, and vipaka). It becomes easier for the body to flush out toxins and impurities because of the sharpness of the agni (heat) in the water and because of the sharpness of the spices. Over time, it cleanses the channels so the water is unobstructed as it travels into the body to hydrate the tissues, and helps in expelling settled undigested weast (ama). An ayurvedic expert can design a therapeutic water recipe to give a specific benefit (One water recipe might enhance immunity; another might cleanse the skin; another might help with prostate imbalance). Ancient texts talk about the difference in the rate of absorption of regular water vs. boiled water:

1. Regular water — takes about 6 hours if every channel is clear.
2. Boiled and cooled water — takes about 3 hours to be absorbed, and helps open the channels.
3. Hot herbalized water — takes about ½ hours, due to sharpness of agni and herbs and spices.

Many question me either in the hospital or in the health awareness program, how much water is enough per day? Usually we pay lots of attention to food what we eat, but we don’t pay as much attention for water we drink. How much water you should drink depends on your age, how much physical work or exercise you do, the weather, your diet, your stress levels, your herbal food supplements, and your body type. Water can be room temperature or hot, but should never be ice-cold, as that would douse the digestive fire. We need water for the body that is what the design of the human body is all about. From water, dependent on water and survives on water.

You will be surprised how something as simple as water can enhance your health.

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