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Procurement And Supply Chain Management Overview





भारतीय सामग्री प्रबंधन संस्थान

INDIAN INSTITUTE OF MATERIALS MANAGEMENT



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From the Desk of The National President



Dear Members,

Greeting from National President!!

As India entered into 4th Phase of Lockdown, revival of economic activity is becoming more visible. Central Government is very cautiously opening up sector by sector to revive the economy. Working of India's federal structure is becoming more pronounced now. There is a coordinated efforts between the Central and State governments to work hand in hand in our fight against COVID-19. By end of May 20, India is ranked 10th in the world with respect to the total number of people affected. Country with a population of 1.3 Billion has till now shown great deal of maturity in keeping the growth of COVID-19 under control. But coming days will prove to be a litmus test when citizens on one hand will have to deal with increased economic activity, and getting back into a routine schedule and on other hand will have to keep social distancing, maintaining high degree of personal hygiene etc. to prevent the spread of the Pandemic.

SCM professionals are facing real challenging time when there is a great volatility / uncertainty in the market. May it be Crude Oil Prices, non-availability of vessels, acute scarcity of transport vehicle due to shortage of drivers, high finish goods inventory, organizations unable to complete their tendering process for many of their essential inputs & services due to continued lockdown conditions and several such constrains. SCM professionals have to take up this challenge and ensure that even under such adverse situation, they have to arrange for essential goods and services for their organizations. Some of the mitigation measures that can be adopted is e-tendering, getting password protected bids, getting EMDs through NEFT / RTGS, contract for a formula based pricing for inputs linked to crude prices etc.

IIMM has recalibrated its working to facilitate students. In addition to pen and paper assignments, we have additionally introduced MCQs which can be submitted online. Conducting online classes for various semesters is in progress. We have successfully completed submission and scrutiny of documents for AICTE approval. Would specifically acknowledge the efforts by Dr. M.K.Bhardwaj & Prof. A. K. Saihpal in this regard.

In the midst of the Pandemic, two of our eastern states viz. West Bengal & Orissa recently faced nature's fury "Ámphan" the cyclonic condition from Bay of Bengal. Property worth crores were damaged and several people were displaced. By the grace of almighty, all our IIMM members are safe. We pray for quick restoration of normalcy, safety and security of all our fellow citizens in these states.

Stay healthy and stay safe.

With Warm Personal Regards

A handwritten signature in black ink, appearing to read 'Malay Mazumdar'.

Malay Mazumdar

National President, IIMM

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From the Desk of Chief Editor



Dear Members,

The COVID-19 outbreak that started few months ago, has started showing its consequences by bringing economic activities to standstill. Unprecedented Lockdown, restricted movement of people has almost dried-up all the economic activities. However, Logistics and Supply Chain Industry should be seen as a critical enabler in balancing the Supply and demand equation, especially medical safety kits to Corona Hotspots, test kits, food essentials, milk supply, vegetable supply etc. and making things actually happen.

It is for obvious reasons that, Logistics is being seen as force to push the Economic activities to a certain extent during this critical time of Covid-19. Most of us are familiar with last-mile delivery, but logistics is a lot more than that. Online players either tie-up with FMCG companies, farms, wholesalers, etc. to source the required items which means, logistics is involved in every step of the process — right from the farm to the warehouse, warehouse to area-specific hubs and finally from hub to customer.

Logistics is no longer an activity that happens in the background, it is now the differentiator. The pandemic has brought both opportunities and challenges for us and the strange thing is that both the challenge and the opportunity is logistics. For Online Players, E-Grocery Stores, E-commerce, food delivery, and other on-demand service companies, this period may prove to be very fruitful to integrate themselves onto the daily lives of consumers, but for that to happen, logistics will have to play a critical role.

It is evident that, Logistics Industry is bound to grow in coming years, but this growth will not be spared from existing and upcoming challenges. One of the existing challenges is to bring down the logistics costs from 14-15% to 8-9% apart from other Infrastructural and technological challenges. Upcoming challenges may be to find new ideas of contactless delivery of goods and services, training of staff at such short notice while executing the orders to safeguard themselves and others. Technology will play a major role in providing better and enabling logistical environment.

Looking at the broader aspects of Technology Integration such as Artificial Intelligence, Machine Learning and Internet of Things with logistical operations, it will not only streamline the inefficient processes but also significantly reduce the errors and hence logistical costs.

With Covid-19 shaking up the existing logistics structure, companies will want to have more captive control over their logistics operations. The technological impetus in logistics sector will only increase from here. Some start-ups might even look at reimagining their existing supply chain to make it agile and adaptive to change.

A stylized handwritten signature in black ink, consisting of a large 'X' shape followed by a horizontal line and a small upward stroke.

(DR. M.K. BHARDWAJ)



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MATERIALS MANAGEMENT REVIEW

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CIRCULAR SUPPLY CHAIN

P. VISWANATHAN, N.C. MEMBER OF IIMM BANGALORE BRANCH

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Circular supply chain is about taking apparent waste materials, and returned goods, and turning them into products, which can be resold, and with sustainability goals in mind, and this in which companies need to find ways to reduce carbon footprint of shipping freight. Supply chains are becoming a circular by adding a link to connecting the beginning, and end of chain and this link encompasses returns, re-cycling, and improve sustainability and the environment.

Circular supply chain is team in nature eliminating waste, and reducing carbon footprint. This also lowers cost while passing on the sustainability benefits to partners.

Circular supply chain refers to a transition from raw-material to manufacture, distribution, place to an ultimately to the consumer, and then on to the waste process, since the world resources are finite, the supply chain in its entities are to be adhered to be circular.

Supply chain which included entire reverse logistic process, in order to grow, and become sustainable in future, without any unlimited supply chain resources, barriers in circular supply chain.

In today's supply chain atmosphere the manufacturers have grown exceptionally capable of being able to produce record breaking volumes of products without re-cycling, and re-use of resource with the capabilities. Driven by Internet of Things, analytics, and with real-time data, organizations are improving their efficiency of the organization.

Linear supply chain is also improving the collaboration and communication Supply chain should assess to work together to create a better lower cost product, and a proper flow. In this phenomenon, third party logistics grew to meet the challenges in supply chain, and eliminate in fair competitive advantage in the linear supply chain, and circular supply chain in line with the barriers that are made up in similar nature.

Modern supply chain should get together, and the technology in order to manage both from linear to circular supply chain. Supply chain is facing crisis, and opportunities are dwindling as the resources are more sustainable, re-usable solutions in supply chain.

As the world grows and thinks of the environment

sustainability, cost, supply chain must revolve into a circular supply network, and not become a strength forward network

Consumers are also become more informed about the products, and are showing increase concern about the conditions under which products are manufactured and disposed. Consumers now expect to be able to return the products, they do not want or purchased with knowledge. They are able to exchange the goods for older goods with new usable goods, as the concern with disposal or re-cycling the goods. Repairs and warranty as a service are expected as a part of customer service, and if they are a flow, and poorly managed the areas can result in loss of customer's loyalty.

Some of the consideration of creating a circular supply chain: 1. Input in supply chain becomes an output, as goods end as a product with customers, and since accounts payable, receivable bill form a circular loop in supply chain. 2. The use of information technology to co-ordinate are the moving components in a circular supply chain, and this requires action during the real time of supply chain activities. 3. Assessing the sense of supply chain opportunities requires researching suppliers, and their working for an improvement, and common vision towards a circular supply chain while ensuring standards. 4. The cash flow demand of a circular supply chain is sometimes compared to a linear supply chain, since the margin of interest may improve, and change in the movement of supplier cash flow. 5. The management of components flow including material production information and components for the entire cycle, will require detailed planning in order to move through a circular supply chain process.

Circular Economy in supply chain: is to be understood as an economy that is to restore, and regenerate by design which aims to keep the product components, material at the highest utility, and value in a supply chain.

Circular supply chain is powerful as it gives the liability to provide fully renewable recyclable, bio-gradable material to support production consumption to consumer products, which lead to face with lower price and risk, enabling them to save cost, and sustainable to consumer waste which is turned into wealth. When products are incinerated or bio-gradable when their carbon contents are re-captured as a part of circular

supply chain, as on a daily basis organization are releasing millions tone of carbon dioxide into the atmosphere, and any excess of carbon does harm supply chain as this goes into production.

In a circular supply chain, recovery, and re-cycling waste has become healthy material, that was once discarded, can now be used as input in both consumption and production. The transformation in supply chain can be in two ways: 1. by re-capturing and re-using valuable energy, components for manufacturing at the end of the life cycle of the products, or re-claiming bi-products from production, Analytics and innovative technology can help customers to process by enabling collection of free returns of used products in supply chain, like the discarding used cartridge in office stationery, as the cartridge are disassembled, refurbished then boxed as new and shipped, and customers use the cartridge again.

Circular supply chain disruptive the re-use or reduce the use of products and materials, can generate revenue in supply chain and help in development of new products.

Most organization supply chain is linear adopting methods: **take, make, and dispose**: value chain adoptable and contributing to the supply chain. Supply chain development are now inclined to supply that shift from linear to circular, and in a closed loop supply chain in which the circular supply, such as re-use, re-conditioning, re-manufacturing and re-cycling become a normal use of the product.

Making supply chain circular cannot be achieved by specific organization as it require collaborations between the organization across supply chain.

Manufacturers in a circular supply chain must be willing to accept re-cycled materials, modify the product, and manufacturing process if necessary, and offer them to customer, and this depends upon the cost that is feasibly done and profitability matters.

The manufacturer should also take the risk, as re-cycled materials may not be available consistently, as that are sourced from most conventional methods of supply chain.

The end user must generally the consumer, must be willing to purchase products made from re-cycled material, and once they are used the liability, of separating from re-cycled material from the items that go as waste and made to be taken up.

Digital technology such as Internet of things, Radio Frequency identification, and analytics are critical for circular supply chain, operation and organization network, to increase the ability to track resources, and to monitor things like utilization, and waste capacity.

Digital application allows organization, and transforms

supply chain, to understand the value of materials, and gauge the condition of products or determine the need for service or replacement, and gaining these capabilities become engaged in a circular supply chain.

Driving circular supply chain to capture the full value of the opportunity, as many un-used products, are staggering to be recognized to something, as it takes expanded vision of circular supply chain beyond re-cycling, and giving priorities, to the full value of the opportunity for a circular transformation supply chain.

From traditional supply chain to adopting of circular supply chain in business strategy are quickly coming into existence. The large part of the digital technology, such as internet of things, sensors are helping to eliminate the hurdles in operational issues such as sorting of materials and re-capturing them, of which materials can be traced to the minimum in supply chain process.

Logistic companies can offer customer greater value by giving incentive in the greater participation of the circular economy in supply chain with convenient-take-back-process by offering pre-paid shipping, smart packaging and convenient take back procedure or a mechanism to help in the high demand fuel market, and additionally consumer, cost can be reduced though the use of goods hauling of loads and route optimization.

The greatest barrier in implementing supply chain economy: 1. Logistic cost to reclaim used goods. 2. Lack of consumer understanding. 3. Business opportunities in other aspects taking priority. .

Creating market demand in supply for widespread circuit supply chain economy as many customer and consumer demand for products that are recoverable recyclable, or refurbish able as the most important factor which can be adopted by customers and consumers are normally motivated by cost savings, and convenience to the best incentive and to ensure that returns and reuses, consumer product components materials, make manufacturing organization which may include: 1. Convenience of returning a product at a brick-and-mortar business. 2. Giving discounts toward future purchase.

Reverse logistics deals with collection of goods, and transporting them to a central location, and sorting them according to where the final destination has to be shipped. At the point where the materials has to be sent back to manufacturing or warehouse, to be re-used refurbished, re-cycled destination. Reverse logistic can help to close the look of product cycle, and transform them into circular supply chain economy.

Waste eliminates recovery, recycling is vital party in supply chain, to reduce waste, as customer are aware of more information about the consequences of too

much product waste, on the environment by re-using and re-cycling the products and saving money, which becomes an important aspect in circular supply chain.

Reverse logistic is to get products back, organization use the centre's to get back, return end to use, and end life products, like exchange of containers from the customer for new products. The advantage of these benefits is considered 1. It sends message and information to customer and competitors about the product and solves to reduce waste. 2. Allows company to make profit by allowing to use its own product, and material thus extending value.

Circular procurement is all about making the right choices early on in the product creation, process so that materials and components are suitable at end-to end life, for repair, refurbishing, and re-use, and this being to close the material loop.

Circular supply chain in public procurement is an approach to the type of procurement which recognizes the role that public organization can play in supporting transition, through towards circular supply chain. Circular supply chain procurement can be said as the process by which public organization, purchase, works, goods, or services, that seek to contribute to closed energy and materials, and this loops within the supply chain, whilst minimizing, and in best cases avoiding any negative impact on environment, and waste creation across the life cycle in a whole supply chain.

Circular supply chain procurement also has a basic role to play in achieving the sustainable development goals, which include specific target to promoting public procurement practices that are sustainable in accordance with natural policies, and priorities. A circular supply chain will retail more high value materials and the resilience of the organization to external shocks, innovation and support the marketing conditions.

Circular procurement in supply chain can bring a system level which concerns with contractual methods, and this can ensure purchasing circular, and this ranges from supplier to take back agreements, which supplier returns the product at the end of its life term in order to re-use, manufacture, or re-cycle to the product service system, which provides a contract for both the services and products.

In the next is the supplier level the circular procurement, is how supplier can build a circular into the systems, and process in order to ensure that products and services, offer circular procurement.

In the product level the circular procurement, focus is on products, and suppliers may procure further down the supply chain, and it is important to consider both the system, and technical specification of the product.

● ● ●



Indian Institute of Materials Management

MISSION

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

OBJECTIVE

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

CODE OF ETHICS

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



ATMANIRBHAR BHARAT ABHIYAN A CALL TO THE NATION FOR SELF RELIANCE

SN PANIGRAHI
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With the unabated COVID-19 virus that is spreading fast, the Country is in a serious Crisis – Internally as well as Externally. National tensions already at high levels not seen in a generation over various issues like Article 370 to CAA and related protests, escalated into political unrest, violence, and conflict and uproar by some opposition leaders and vested interests and many more. Now COVID-19 is tipping the world into a dangerously volatile new era and India too affected without any exception - a new threat to Citizens of India over Health & Economy, added further Natural Calamities like Cyclones, untimely devastating rains, Locust attacks on Crop etc., crippling the country's Socio - Economy Fabric causing a severe and almost insuperable problem and the country is on the verge of a Serious Trouble – health issues - social distancing - reduced domestic activity – stalled economic activity – issues especially related to informal and low-skilled workers, including within large internally displaced populations and migrants. On external front border security tensions with neighbouring countries forcing added attention. Culmination of all these turbulent events together dramatically downturn aggravating existing economic and human challenges, triggering a spiral of economic hardship and socio-political trouble.

Crisis Possess a Challenge and Test the Leadership. During a crisis, real leaders rise and become visible. ... With a solid focus on right vision and determination good leaders rise above the circumstances and see into the future. Their ability to stand bold, confident and courageous even in the deepest crisis and in the face of unprecedented challenges, and navigate to stay focused, stable, steady and authentic approach to crisis, makes them ambassadors of hope and victorious.

In this severe crisis, our **Visionary Prime Minister, Shree Narendra Modi** Ji exhibiting his leadership ascent announced in his nationwide address on 12 May 2020, “**Atmanirbhar Bharat Abhiyan**” - “**A Call to the Nation for Self - Reliance**” that serves as a massive stimulus package as well as a move towards making India more self-reliant in the post-COVID world. The stimulus is focussed to strengthen India's cottage and home industries, small and medium enterprises (SMEs) and other industries. Prime Minister Narendra Modi has announced a special economic package worth 20 lakh crore rupees for an ‘Atma-Nirbhar Bharat’ or self-reliant India, saying that self-reliance is the only way to ensure that 21st Century belongs to India.

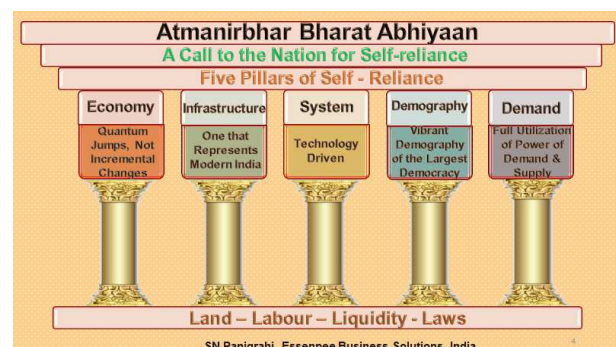
Call for Atmanirbhar Bharat Abhiyan or Self-Reliant India Movement

- ❖ **Five pillars of Atmanirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand**
- ❖ **Special economic and comprehensive package of Rs 20 lakh crores - equivalent to 10% of India's GDP**
- ❖ **Package to cater to various sections including cottage industry,**
- ❖ **MSMEs, labourers, middle class, industries, among others.**
- ❖ **Bold reforms across sectors will drive the country's push towards self-reliance**
- ❖ **It is time to become vocal for our local products and make them global.**



This new vision of Atmanirbhar (self-reliant) Bharat is envisioned to be built on **five pillars: economy, infrastructure, a system driven by technology and forward-looking policies, demography, and economic demand.**

The Prime Minister noted that this package, together with earlier announcements by the government during COVID crisis and decisions taken by RBI, is to the tune of 20 lakh crore rupees. This is equivalent to almost 10 percent of India's GDP.



The package will also focus on Land, Labour, Liquidity and Laws. It will cater to various sections including cottage industry, MSMEs, labourers, middle class, industries, among others. **Atmanirbhar Bharat Abhiyan lays strong foundations to sail across the crisis and for raising our economic growth and long-term sustainability.**

In his speech Prime Minister also told that “In this hour of crisis, local suppliers have met our demands; Indians have to be ‘Vocal about Local’ and buy products from them. This era of self-reliance will be our new pledge and new festival; we have to move on with new resolve”. Here he envisaged clear vision to Encourage “Made India” products which is right way to revive ailing Domestic Industry, especially MSME.

Following the Vision Statement of Prime Minister, the Union Finance Minister Nirmala Sitharaman made **Five announcements on the Aatmanirbhar Bharat Abhiyan stimulus package.**

- Ø **Tranche 1: Business including MSMEs (May 13, 2020)**
- Ø **Tranche 2: Poor, including migrants and Farmers (May 14, 2020)**
- Ø **Tranche 3: Agriculture (May 15, 2020)**
- Ø **Tranche 4: New Horizons of Growth (May 16, 2020)**
- Ø **Tranche 5: Government Reforms and Enablers (May 17, 2020)**

Tranche 1:

MSME in a New Avatar: The Prime Minister’s speech emphasized that the MSME sector will act as the bedrock for economic revival. Intending to get the MSME sector back on its feet, the Prime Minister announced the MSME sector to be within the purview of the **Atma-Nirbhar Bharat Abhiyan**. The Micro, Small, and Medium Enterprises (MSMEs) sector with More than 6 crore MSMEs is the most vibrant and dynamic industrial sector contributing significantly to the GDP and export while employing around 40 per cent of the Indian workforce.

Subsequently, the Finance Minister announced six regulatory measures as part of the Atma-Nirbhar Bharat Abhiyan especially for the MSME sector, as part of a series of announcements by the government. In current times, where the mere survival of the MSME sector is at stake, Atma-Nirbhar Bharat Abhiyan intends to address the needs of the MSME sector and **paves a path for long-term sustainability and profitability of MSMEs.**

In Atmanirbhar Bharat Abhiyaan, there are a **Total of 6 Reforms to revive the MSME sector.** These are:

Rs 3 lakh crores Collateral free Automatic Loans

Rs 20,000 crore Subordinate Debt for MSMEs

Rs 50,000 crore equity infusion through MSME Fund of Funds

New definition of MSMEs

Global tender to be disallowed up to Rs 200 crores

Other interventions for MSMEs

Revising the definition of MSME under applicable law is intended to bring more MSME enterprises under the purview of being classified as MSMEs so that they can reap benefits associated with it and revive their business and grow.

Under the new definition, the investment limit for micro, small and medium enterprises have been raised substantially and the distinction between manufacturing and services has been abolished. This measure will widen the net of benefits associated with classification as an MSME to more enterprises.

Status of Business	Old Definition (Before 13.05.2020) Criteria : Investment in Plant & Machinery or Equipment	As per New Definition (Same for Mfg & Service Sector) Criteria : Both Investment & Turnover
MICRO	Mfg. Sector: Investment in P&M up to Rs. 25 Lac Service Sector: Investment in Equipment up to Rs. 10 Lac	Investment: up to Rs. 1 Crore Turnover: up to Rs. 5 Crore
SMALL	Mfg. Sector: Investment in P&M is more than 25 Lac but up to 5 Crore Service Sector: Investment in Equipment more than 10 Lac up to Rs. 2 Crore	Investment: up to Rs. 10 Crore Turnover: up to Rs. 50 Crore
MEDIUM	Mfg. Sector: Investment in P&M is more than 5 Crore but up to 10 Crore Service Sector: Investment in Equipment more than Rs. 2 Crore but up to Rs.5 Crore	Investment: up to Rs. 50 Crore (Revised from Rs 20 Cr) Turnover: up to Rs. 250 Crore (Revised from Rs 100 Cr) * Cabinet Decisions on 1 st June 2020 to Revise as Above

SN Panigrahi, Essence Business Solutions, India

In order to redefine the MSME, government has taken following measures:

- Ø **Increased Investment Limit**
- Ø **Introduced additional criteria of turnover**
- Ø **Eliminated difference between Manufacturing & Service sector**

The collateral-free automatic credit line and the subordinate debt to MSMEs may be a game-changer for a sector which is finding it harder and harder to find credit support from banks and other financial institutions. It will make it lucrative for risk-averse banks to resume lending operations as the government will act as 100 per cent guarantor on both the principal and the interest. The guarantee from the government will ease pressure on banks and other financial institutions as they will not have to make provisions in case the loan account turns into a non-performing one.

The Finance Minister also announced the creation of ‘Fund of Funds’ with a corpus of Rs 10,000 crores where the government through the funds will pick up an equity stake in the MSMEs with growth potential and viability. These equity infusions will lead to increase in size and capacity of the MSMEs and the revision in the definition of MSME is correlated to this. Further, the long-term goal of such equity infusion is to encourage the MSMEs to list on stock exchanges.

Online marketplace for MSMEs is intended to help all market participants, including end-consumer. Affordable products and services and the narrative of ‘Make-in-India’ and national unity during marketing will be

attractive to the cash-strapped consumer.

Startups are not explicitly covered in the definition of MSME; however, startups operating in manufacturing and ancillary services sector especially medical devices, robotics etc. may consider registering themselves as MSME. The host of benefits such as priority lending to cluster financing, exemptions, tax soaps etc. will be available to such startups along with the new benefits under the scheme.

Tranche 2:

Second Tranche focused on Migrant Workers, Street vendors, Small Traders, Self Employed People, Small Farmers. The FM covers 9 major announcement of the Atma Nirbhar Bharat Abhiyan here-

- v **Free Food grain Supply to Migrants for next 2 months-** Central government to spend 3500 crore to provide free foodgrain supply to migrants and the benefit is also extended to 8 crore migrants who do not have ration cards or are not covered under national food security act. Govt will give 5 kgs/ person of wheat or rice and 1 kg/family of channa for non-PDS card holders for 2 months.
- v **1 Nation 1 Ration Card** will be implemented- 67 crore beneficiaries in 23 states will get covered in this scheme by August 2020 and FM said that they'll ensure 100% coverage of ration card portability by March 2021.
- v **Affordable rent and accommodation for migrant worker and urban poor in PM Awas Yojana-** incentivising industries for accommodation for housing of migrants. Govt is looking to convert vacant buildings in metro cities for housing.
- v **Interest Subvention Incentive of 2% in Shishu Loan in Mudra-** loans under Rs. 50,000 qualify for Interest SOP. Over 3 Crore mudhra shishu loan beneficiaries to get SOP.
- v **Easy Access to Credit for all Street Vendors-** 5000 crore special credit facility for 50 lakh street vendors.
- v **Credit Link subsidy Scheme for housing extended upto March 2021 for Lowest Strata of Middle Income Group-** The scheme was started in 2017 and is being extended for 1 year for families with annual income upto 6 to 18 Lakhs only can enroll for affordable housing. The scheme is expected to benefit 2.5 Lakh families.
- v **Promoting Employment in Tribal Area-** Rs 6,000 crore CAMPA funds will be made available in tribal and adivasi areas for job creation and development activities
- v **Rs 30,000 crore additional emergency working capital funding** for farmers through NABARD.
- v **2 Lakh crore of concessional credit** will be extended to boost economic activities amongst farmers through kisan credit card.

Tranche 3:

Finance Minister Nirmala Sitharaman's announcement on 15th May focussed on Strengthening India's Agriculture and Allied Activities Sector; She also announced Governance Reforms.

Key highlights from the Announcement:

- Ø INR 100,000 crore for strengthening farm gate infrastructure
- Ø INR 20,000 crore fund under Pradhan Mantri Matsya Sampada Yojana for integrated, sustainable, inclusive development of marine and inland fisheries
- Ø INR 4,000 crore allocated to support farmers growing herbal and medicinal plants along River Ganga
- Ø The Essential Commodities Act (1955) amended to tackle abundant crop
- Ø Farmers to be given a choice to sell; inter-state and e-trade to be facilitated
- Ø INR 10,000 crore fund for micro-food enterprises to encourage export of locally made products
- Ø INR 15,000 crore fund to support and develop dairy infrastructure and cattle-feed infrastructure
- Ø INR 500 crore to support beekeeping initiatives
- Ø INR 500 crore subsidy to support disruption of supply chain of fruits and vegetables
- Ø Development of a legal framework to assist farmers fix their own price

The first Three Tranches of Stimulus announced are aimed at empowering People to help them become Self-Sufficient and earn livelihoods.

Tranche 4:

The fourth tranche of INR 20 lakh crore economic package announced by Finance Minister Nirmala Sitharaman on 16th May streamlines processes to fast-track investments in key sectors, builds a solid ground for executing Prime Minister Narendra Modi's vision of 'vocal for local', enables employment generation, brings consumers at the centre stage and most importantly, creates ample room to unleash the benefits of privatisation.

Key highlights from the announcement

- v Privatisation of coal mines with 50 new blocks to be auctioned
- v 500 mineral blocks to be privatised through open and joint auction with coal
- v Domestic procurement for a notified list of weapons, equipments and spares for defence-related manufacturing

- v Air space to be rationalised and optimally utilised to save fuel and time
- v Six more airports to be auctioned on PPP basis, additional private investments in 12 existing airports
- v Making India a Maintenance, Repair and Overhaul hub for both civil and defence aircrafts
- v Privatisation of power distribution companies in Union Territories
- v INR 8,100 crore provision made for 30% viability gap funding available for social infrastructure projects
- v Private participation in space programmes and geo-spatial data to be made available for private sector
- v PPP for promoting low cost cancer treatment and establishing research facilities for food sector

Tranche 5:

The tranche 5 of measures was a **continuation of several reforms** addressing challenges **related to land, labour, liquidity, and laws** announced in the last four days.

Key highlights from the announcement

- Ø INR 40,000 crore additional allocation to MGNREGS
- Ø All districts to have infectious diseases wards in hospitals; public health labs at block-level
- Ø PM e-VIDYA to be launched for school education
- Ø Debt defaults related to COVID-19 will be excluded from definition of 'default' under IBC
- Ø Decriminalise all violations of technical and procedural nature compliances under Companies Act
- Ø Companies can list their securities directly in foreign jurisdiction. Direct listing overseas without the need to list in India is a massive benefit for start-ups, high-tech and biotech, metals and minerals etc., which are better understood by investors in specific markets overseas. This will reverse flight of capital and off-shoring of Indian companies.
- Ø A new Public Sector Enterprise Policy to allow private sector to operate in all sectors
- Ø States borrowing limit increased from 3% to 5% of the GSDP

Cabinet Decisions on 1st June'2020

- v Historic decisions for MSME sector, street vendors and farmers taken
- v MSME definition revised for the first time after 14 years
- v Definition of medium units enhanced further to Rs 50 crore investment and Rs 250 crore turnover

- v Special Micro Credit Facility Scheme 'PM SVANidhi' (**PM 8 M 5 (??)**) for providing affordable loans to street vendors launched. **This scheme will go a long way in enabling them to resume work and earn livelihoods.**

Over 50 lakh people, including vendors, hawkers, thelewalas, rehriwala, theliphadwala etc. in different areas / contexts are likely to benefit from this scheme.

The goods supplied by them range from vegetables, fruits, ready-to-eat street foods, tea, pakodas, breads, eggs, textiles, apparel, footwear, artisan products, books/ stationaries etc. The services include barber shops, cobblers, pan shops, laundry services etc.

The vendors can avail a working capital loan of up to Rs. 10,000, which is repayable in monthly instalments in the tenure of one year. On timely/ early repayment of the loan, an interest subsidy @ 7% per annum will be credited to the bank accounts of beneficiaries through Direct Benefit Transfer on six monthly basis. There will be no penalty on early repayment of loan.

The scheme provides for escalation of the credit limit on timely/ early repayment of loan to help the vendor achieve his ambition of going up on the economic ladder

v Encouraging digital transactions:

The scheme incentivises digital transactions by the street vendors through monthly cash back.

v 4- Focus on capacity building:

MoHUA in collaboration with State Governments, State Missions of DAY-NULM, ULBs, SIDBI, CGTMSE, NPCI and Digital Payment Aggregators will also launch a capacity building and financial literacy programme of all the stakeholders and IEC activities throughout the country during the month of June and loaning will commence in the month of July.

- v For Kharif season 2020-21, government keeps its promise of fixing MSP at a level of at least 1.5 times of the cost of production. **MSP of 14 crops for the Kharif season 2020-21 has been announced, based on the Recommendation of CACP. The return over cost for these 14 crops ranges from 50% to 83%.**

- v Repayment dates for short-term loans for agriculture and allied activities extended; farmers to also get benefit of interest subvention and prompt repayment incentive

- v Caring for the poor is the top focus of the government

This was seen in the announcement of the Pradhan MantriGaribKalyanYojana package on 26th of March 2020, within just two days of the start of lockdown.

From ensuring coverage of around 80 crore people with food security to direct cash transfers into the bank accounts of 20 crore women, from putting money into the hands of senior citizens, poor widows and poor

Divyanga to front-loading of the PM-KISAN instalment to crores of farmers, steps were announced. These covered a wide range of vulnerable sections who would have borne the brunt of the lockdown if not for the immediate intervention of the government. Moreover, these were not mere announcements. Within days, assistance reached crores of people directly, either in cash or kind.

Government of India has laid down the road map for effective implementation of other announcements under the Atmanirbhar Bharat Package too. These include:

- v Upward revision of MSME Definition. This is yet another step towards ease of doing business. This will help in attracting investments and creating more jobs in the MSME sector;
- v Proposal for provisioning of Rs 20,000 crore as subordinate debt to provide equity support to the stressed MSMEs has been formally approved by the cabinet today. This will benefit 2 lakh stressed MSMEs.
- v Proposal for equity infusion of Rs. 50,000 crores for MSMEs through fund of funds has also been approved by the Cabinet today. This will establish a framework to help MSMEs in managing the debt-equity ratio and in their capacity augmentation. This will also provide an opportunity to get listed in stock exchanges.

Centre announces 'Mudra Shishu Loan' for small businesses and cottage industries

A 1500 crore interest subvention for small business and cottage industries has been announced under Mudra Shishu loan. Under this scheme, one lakh beneficiaries can avail interest benefit of 2 per cent for a year.

A Rs 5000 crore package was announced for the roadside hawkers. Under this, 50 lakh street vendors can avail loan upto Rs 10,000. Street vendors can contact any nationalised bank to avail the benefit.

Instilling Hope & Confidence through Mann Ki Baat

Like in every month this time also in a Mann Ki Baat, Prime Minister on 31st May try to send the Message about Hope & Confidence to fight Corona. The Highlights are :

- Ø India is combating the Coronavirus menace with **Sankalp Shakti** as well as **Sewa Shakti**
- Ø **People across India are coming up with innovative solutions to fight against Coronavirus**
- Ø Working towards all-round development of every Indian
- Ø Yoga is Good for Community, Immunity and Unity
- Ø Ayushman Bharat benefits over one Crore Patients, saves Rs 14,000 Cr Treatment Cost for Poor.
- Ø Work towards conserving every Drop of Water, save Rain Water

- Ø Keep Fighting, Wear a Mask, Wash Hands and take all other Precautions
- Ø Economy getting active now

PM Speaking @ CII : 5 Things to Build a Self-reliant India

While delivering the Inaugural Address at CII Annual Session 2020, **Getting Growth Back**, through video conference, Prime Minister Narendra Modi on 2nd June'2020, listed five things that will help India mitigate the impact of the coronavirus pandemic and bring back the country to a high growth trajectory.

"To bring India on the path of rapid development again, five things are very important to build a self-reliant India - Intent, Inclusion, Investment, Infrastructure and Innovation," the PM said during his first major speech on the Indian economy since the announcement of Unlock 1.



"For us, reforms are not any random or scattered decisions. For us, **reforms are a systemic, planned, integrated, inter-connected and futuristic process.** For us, reforms mean having the courage to make decisions, and taking them to a logical conclusion," PM added.

The Coronavirus outbreak has Redefined the Responsibilities of Citizens and the Business Community

While the Bold Decisions and Measures taken by the Government lead by Able, Efficient & Visionary Prime Minister Shree Narendra Modi Ji can help contain the spread of the coronavirus and Revive the Economy, the **outbreak has redefined the responsibilities of citizens and the business community** and highlighted the **Commitment & Support from every Citizen in the Fight against the pandemic.**

As a True Citizens Our Resolution, Our Determination, Our Decisions & Actions, Our outlook only can Change Our Future. The Message of our PM "Vocal for our Local products" has greater meaning to Revive Our Economy & Win over the Present Crisis is Boycott Videshi (Chinese) Products and Encourage & Consume Swadeshi

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GLOBAL COMPETITIVENESS AND CSR

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Milton Friedman (1970), an eminent Nobel economist, in a provocative essay argued that the only social responsibility of business is to increase profits and refrain from engaging in deception and fraud. He asserted that the main business of business is to remain in business by being profitable while staying within the rules of the game, i.e., engaging in open and fair competition without deception or fraud. This has been the stand of most businesses for many years since. They have traditionally considered profitability and increasing shareholder value as their ultimate goal.

Other arguments have also been put forth against companies being socially responsible. One is that the economic function of business is to make products and not solve social problems that are the responsibility of individuals, society and the government. Other arguments talk about social responsibilities resulting in lower economic efficiencies for corporations, imposing unequal costs on some companies etc. Some critics also argue that professional managers are best suited for their respective organizational roles and expecting them to involve in social activities is unfair and counter productive.

However, management thought has also been highly enriched by the likes of Peter Drucker (1955), who has consistently endorsed the idea of corporate social responsibility (CSR), long before it became fashionable.

Defining CSR:

There is no universally acceptable definition of CSR. Some thought provoking definitions are as under:

- "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" World Business Council for Sustainable Development
- "CSR is about how companies manage the business processes to produce an overall positive impact on society." Mullen Baker
- "CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders." CSR Asia
- CSR is "a concept whereby companies integrate social and environmental concerns in their business

operations and in their interaction with their stakeholders on a voluntary basis." European Commission

'Thus, Corporate Social Responsibility is the continuing commitment by corporations to voluntarily behave ethically and to contribute to sustainable economic development while improving the quality of life of the employees, their families, the local community and the society at large in ways that are good for business and development.

Other terms normally used interchangeably with CSR are 'Social Responsiveness of Companies', 'Corporate Citizenship', 'good corporate governance' and 'the ethical corporation'

A Case for CSR:

Traditionally, social responsibility, philanthropy, ethics, etc. were considered best left to individuals. Corporations are after all organizations formed by individuals. Thus, it is only apt that the collective social responsibility of is reflected as CSR. Corporations have grown big and strong and some of them have turnover and profits exceeding the GDPs of small nations. This power needs to be balanced by responsibility. Companies need to have good stakeholder relations. CSR is a means to match corporate operations with stakeholder values and demands. CSR also stems from the desire of businesses to forestall government regulation. Socially responsible firms are preferred by prospective employees and are relatively more successful at retaining employees as they increase employees' self respect and job satisfaction.

David B. Montgomery and Catherine B. R. (2003), in a preliminary study involving 279 MBAs from 2 European and 3 North American Business schools found that reputation related attributes of caring about employees, environmental sustainability, community/ stakeholder relations and ethical products and services are important in job choice decisions. Their results also show that more than 90% of the MBAs in the sample were willing to forego financial benefits in order to work for an organization with a better reputation for CSR and ethics.

CSR serves the economic self-interest for a business in today's brand driven markets by becoming a tool for brand differentiation. Companies would like to do the right thing so as not to damage reputation built over a long time. This tendency of risk management could be another drive towards CSR. CSR can also be seen as

enhancing global competitiveness by providing a distinct competitive advantage.

Geoffrey Williams and John Z. (2005) explored the relationship between consumer behaviour, CSR and a set of socio-political and economic factors using a sample of nearly 90,000 stakeholders drawn from 30 countries over the period 2000-2003. They found that globalization, free markets and the development of liberal citizenship rights increase the willingness and ability of consumers to regulate firm behaviour and to punish bad CSR. These results contradict the Friedman (1970) view since they suggest that when exposed to market pressures and 'free-to-choose' consumers, firms have to pay more attention to social concerns, not less as implied by the 'shareholder-only' view. Their results further reveal that the determinants of consumer attitudes and behaviour in respect of CSR are multidimensional and so context will be highly important for CSR strategies. The results also have some implications for the debate on globalization, off-shoring and outsourcing. They show that greater FDI and trade penetration appears to have a positive impact on the willingness and ability of consumers to regulate poor CSR behaviour in the market. This is supportive of the view that globalization is more likely to lead to a transfer of high standards rather than encourage a "race to the bottom". (Bhagwati-2004)

A McKinsey Survey in 2005 found that "business executives across the world overwhelmingly believe that corporations should balance their obligation to shareholders with explicit contributions to the broader public good". According to Craig Smith, marketing is increasingly involved, be it in the development of new eco-friendly products or new markets (e.g., at the 'bottom of the pyramid' in developing countries) and in relation to a range of issues, from fair trade to sweatshop labour in the supply chain

Michael Hopkins (undated), while making a business case for CSR, says that there is a wider impact as public expectations grow of greater CSR as a result of the heightened public debate on the benefits and shortcomings of globalization and the perceived role of business in this process. The number of transnational companies has increased from 37000 in 1990 to over 60,000 today, with the number of foreign affiliates rising to 800,000 compared to about 170,000 in 1990. According to him, probably the only in-depth cost-benefit analysis of CSR, which was done by the Cooperative Bank in the U.K., found that 15 to 18% of its pre-tax profits could be directly attributed to its ethical stance.

Some of the benefits of corporate social responsibility can be listed as follows:

- Improved relations with all stakeholders – particularly social action groups, NGOs and the media, who are all instrumental in building corporate image.
- Enhanced brand image and reputation.
- Higher customer satisfaction

- Increased productivity and quality.
- Increased sales and customers loyalty
- Increased ability to attract and retain employees
- Reduced regulatory intervention
- Brand visibility, recognition and awareness.
- Favourable positioning.
- More engaged investors
- Environmental sustainability
- Emerging partnerships
- Competitive advantage resulting in higher market share and profitability.

Reputation management, risk management, recruitment, retention, motivation, investor relations, access to capital, learning and innovation, competitiveness and market positioning, operational efficiency and license to operate are some of the areas where good corporate citizenship can provide business benefits, according to Hopkins M. (2006) According to Prahalad (2004), in numerous instances, business social action has brought about a tangible and quantifiable improvement in the community. This implies that if the company in question had not carried out these actions in the community, these improvements would not have been achieved, at least not on the same timescale.

The Commission of the European Communities published a 'Green Paper' (discussion paper) in 2001 to stimulate debate about the nature and content of CSR. This debate elicited about 250 responses from business, employer federations, trade unions, NGOs and academics. They all strongly agreed that CSR is a vital component of companies' core business and a determinant of future competitiveness; and that it is a global issue and an integral part of world efforts towards sustainable development. This resulted in the EU Council passing a resolution in 2003 urging member states to undertake CSR initiatives.

In a study of CSR in Spain, Mele D. (2004) concluded that Spanish companies consider corporate reputation, competitive advantage and current industry trends to be the major driving forces for CSR.

According to Siegel, Donald S. (undated), recent theories of CSR [Baron (2001), Mc Williams & Siegel (2001), Bagnoli and Watts (2003)] assert that firms engage in 'profit-maximizing' CSR. That is, companies are assumed to be socially responsible because they anticipate a benefit from these actions. Examples of such benefits might include reputation enhancement, the ability to charge a premium price for its output, or the use of CSR to recruit and retain high quality workers. These benefits are presumed to offset the higher costs associated with CSR.

Baron (2001) coined the phrase "Strategic CSR". He asserts that companies compete for socially responsible customers by explicitly linking their social

contribution to product sales. Ben and Jerry's commitment to donate 7.5% of its pretax profit to social causes can be cited as a good example of such strategic CSR.

Joshi M. et al (2007) stress on the need to understand the relationship between competitiveness and CSR. They quote Zadek and his colleagues (2003), "some of the measures demanded of companies in the name of corporate responsibility are incompatible with current business models and markets. Pharmaceutical companies alone can not provide affordable drugs to the poor, and the footwear companies cannot just decide to pay workers in Mexico or Vietnam a wage comparable to that earned by workers in London or New York".

Some global issues and areas where companies are activity involved in CSR initiatives and which will continue to attract further attention are eradication of poverty and hunger, environmental sustainability, global warming including carbon trading, water conservation, literacy and education, promoting equality, empowerment of women, reducing infant mortality, abolition of child/bonded labour, combating HIV /AIDS/ Malaria and other critical diseases, health for all, revival and patronage of traditional arts and crafts, culture and heritage, management of wastes and garbage, rural welfare, disaster management and relief and sports.

While need for good stakeholder relations, increased government regulations, active NGOs and media and risk management may be some of the factors for driving companies into social responsiveness, today many companies have discovered the use of CSR as an important and to a great extent unique weapon for achieving global competitiveness. Michael Porter, Management Guru and author of the book 'The Competitive Advantage of Nations', says, "Today's companies ought to invest in CSR as part of their business strategy to become more competitive."

Competitive Advantage is a position that a company occupies in its competitive landscape. According to Porter, a competitive advantage, sustainable or not, exists when a company makes economic rents, that is, its earnings exceed its costs (including cost of capital). That means that normal competitive pressures are not able to drive down the firm's earnings to the point where they cover all costs and just provide minimum sufficient additional return to keep capital invested. Most forms of competitive advantage cannot be sustained for any length of time because the promise of economic rents drives competitors to duplicate the competitive advantage held by any one firm. A firm possesses a sustainable competitive advantage when it has value-creating processes and positions that cannot be duplicated or imitated by other firms that lead to the production of above normal rents.

Companies have found that in this age and times where there is no unique selling proposition (USP) and where any differentiation is short lived, CSR gives their brands a unique and special strength and image. Thus we see

many companies going 'green' or eco-friendly. This paper justifies the effective use of CSR for enhancing brand and corporate image and for gaining sustainable competitive advantage.

Community notices and approves of what businesses are doing in terms of CSR. CSR is a long-term investment to improve business environment, similar to investing in infrastructure or research and development. Partnerships in the community with environmental, educational and arts organizations are investments with real business returns. While good corporate citizenship is not sufficient to guarantee a friendly public policy environment on its own, it certainly is a vital element in trying to do so. In these times, when the value of brands exceeds the value of other organizational assets, companies do every thing possible to build their brands and increase their corporate image. Customers do not buy products; they buy brands. A study by Guido Berens, Cees B. M. van Riel Gerrit H. (2003), has found that compared to corporate ability associations, CSR associations indeed have a weaker effect on product quality perceptions, but a stronger effect on product purchase intentions. This suggests that CSR does not merely serve as a general evaluative context, but is in itself important for customers in making a decision about product purchases, perhaps because it affects the perceived legitimacy of the organization.

According to Sen and Bhattacharaya (2001), CSR may have a symbolic value for customers, in that being a customer of a socially responsible firm may serve to express one's identity or personal values to others. Good CSR, thus, provides another avenue to companies to enhance their image and gain a relatively more sustainable competitive advantage.

After the II World War, Merck brought Streptomycin to Japan to eliminate Tuberculosis. Although the venture made no money then, today Merck is the largest American pharmaceutical company in Japan. The same philosophy has prompted the company to develop and freely distribute a drug for River Blindness to millions of people. Johnson & Johnson withdrew all Tylenol when bottles laced with cyanide caused deaths in one city. It also spent money to communicate its warning and policy, thereby effectively overcoming the risk and increasing its image. In Vietnam, Motorola's work with rural health clinics helped it become one of the few U.S. companies to do well there.

Volvo has chosen to make 'safety', a central element of its competitive positioning. Toyota has built a competitive advantage from the environmental benefits of its hybrid technology. Sysco, the largest distributor of food products to restaurants and institutions in North America, has begun an initiative to preserve small, family owned farms and offer locally grown produce to its customers, as a source of competitive differentiation. General Electric has its 'ecomagination' initiative that focuses on developing water purification technology and other 'green' businesses. Unilever is making efforts to pioneer new products, packaging and distribution systems to meet the needs of the poorest nations. CSR initiatives may also result in additional

profits as Dupont and McDonalds' discovered. Dupont saved \$2 billion in energy costs and McDonalds' reduced solid wastes by 30%. Progressive companies like outdoor clothing company Patagonia, retail business firm Ishka, natural healthcare company Blackmores, skincare specialist Jurlique and organic food company Whole Foods are good illustrations of doing successful business beyond competition, as per Pozzi and Nocera (2006).

Government regulation, exposure to criticism and liability, media pressures and consumers' attention to social issues are all persistently increasing as is the need to remain globally competitive. As a result, the number of companies whose competitive advantage can involve social value propositions is constantly growing.

Ethics refers to well established standards of right and wrong conduct that prescribe what human beings ought to do; usually in terms of rights, duties, benefits to society, fairness or specific virtues. Ethics is an invaluable intangible asset of the company just like its corporate image, goodwill or brand equity. In the present times as the other tangible assets are quickly acquired and other competitive advantages are copied overnight by competitors, ethics, which is a part of the organizational culture, provides a sustainable competitive advantage. Bowie and Vaaler (1999:163) note in an examination of the role of ethical standards in multinational companies, the ethical climate of a corporation is 'knowledge-based, and embodied in individual employees or in organizational routines. As a result the ethical climate is rather difficult to duplicate and thus is a source of durable competitive advantage.'

A study by Arthur Andersen and the London Business School (2000) company secretaries and other senior executives of leading UK companies reported that business ethics activities had a positive influence on profit, winning new business, productivity and business growth. Ethics is important to organizations that seek to differentiate themselves in a global market. Organizations with clearly articulated beliefs and strong cultures are likely to be 'outstanding performers', according to Deal and Kennedy (1982).

'Business ethics, as competitive advantage, involves effective building of relationships with a company's stakeholders based on its integrity that maintains such relationships. Business relationships, like personal ones, are built on trust and mutual respect.' (Boatright, 2005; White, 2006). Integrity of an organization would mean that it is whole and complete with respect to its word, i.e., it honours its word. Building firms of integrity is the hidden logic of business ethics.

Lack of personal and business ethics is an important reason for the downfall of Enron, WorldCom and other such failures attributed to poor corporate governance. Corporate governance is an index of the increasing awareness about the need for having a proper moral, value and ethical framework for taking decisions in business. Good corporate management is using the financial, physical and human resources of an enterprise to get the best results in terms of productivity,

profitability, market capitalization etc. Corporate governance would mean having a proper ethical framework before taking business decisions.

While these big scams have brought corporate governance into a sharper focus, it is probably ethics that need to be reviewed and stressed. According to Peter Drucker, "There is no such thing as business ethics... there's just ethics; and we all have to practice them everyday in everything we do". Strong ethical foundations of managers would pre-empt the need for stronger corporate governance mechanisms. Companies, which are seen as ethical and humane, have a definite competitive advantage globally in addition to higher growth and stability. Companies need to be ethically proactive rather than ethically reactive.

The recent examples of Tata- Corus deal and Arcelor-Mittal merger can be seen as case studies of competitive superiority of Indian companies, which were perceived to be more ethical and humane than their competitors. These cases re-emphasize the need and importance of ethical foundations for facing global competition. China is well known for its 'dirty' & cheap labour and poor quality products. India can be globally competitive through its rich ethos, ethics and the doctrine of "Yogah Karmasu Kaushalam" [Perfection in work (quality) is the ultimate objective].

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A STUDY OF CUSTOMERS BUYING BEHAVIOR AT ORGANIZED RETAIL OUTLETS

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INTRODUCTION : The word Retail is derived from the French word retailer, meaning to cut a piece off or to break bulk. A retailer buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells individual items or small quantities to the general public or end user customers, usually in a shop, also called a store. Retailers are at the end of the supply chain. Marketers see retailing as a part of their overall distribution strategy.

Retail involves the sale of merchandise from a single point of purchase directly to a customer, who intends to use that product. The single point of purchase could be a brick-and-mortar retail store, an Internet shopping website, a catalog, or even a mobile phone.

INDIAN RETAIL INDUSTRY : Retailing in India is one of the pillars of its economy and accounts for about 10 percent of its GDP. India is one of the fastest growing retail markets in the world, with 1.2 billion people.

India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015, driven by income growth, urbanization and attitudinal shifts. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent.

India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Indian e-commerce sales are expected to reach US\$ 120 billion by 2020 from US\$ 30 billion in FY2016. Further, India's e-commerce market is expected to reach US\$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenience.

Companies like Tata, Reliance, Adani Enterprise and Bharti have been investing considerably in the booming Indian Retail Market. Along with these giant retailers, a number of transnational brands have also entered into the market to set up retail chains in close association with bigger Indian companies.

High consumer spending over the years by the young population and sharp rise in disposable income are driving the Indian organized retail sector's growth. Even

Tier I & Tier II cities and towns are witnessing a major shift in consumer preferences and lifestyles, the result of which, they have emerged as attractive markets for retailers to expand their presence.

The Indian retail sector is highly fragmented and the unorganized sector has around 13 million retail outlets that account for around 95-96% of the total Indian retail industry. However, going forward, the organized sector's growth potential is expected to increase due to globalization, high economic growth, and improved lifestyle.

To counter the unbeatable advantages of convenience of a hop, skip and a jump access and home delivery, organized retailers seem to have just one option – offer attractive prices to the consumer. A successful retailers winning edge will therefore come from sourcing – how best it can leverage its scale to drive merchandise costs down, increase stock turns and get better credit terms from vendors. Efficient supply chains can achieve this objective and fuel demand. The supply chain in India is full of inefficiencies – a result of inadequate infrastructure, too many middlemen, complicated laws and an indifferent attitude.

Retailing as discussed before is at a nascent stage in India. The complicated information systems and underlying technologies are in the process of being established. Most grocery retailers like Food World have started tracking consumer purchases through CRM. The lifestyle retailers through their 'affinity clubs' and 'reward clubs' are establishing their processes. The traditional retailers will always continue to exist but organized retailers are working towards revamping their business to obtain strategic advantages at various levels – market cost, knowledge and customer. With differentiating strategies – value for money, shopping experience, variety, quality, discounts, advanced technologies, change in the equilibrium with manufacturers and a thorough understanding of the customer behavior, the ground is all set for the organized retailers.

REVIEW OF LITERATURE : The Indian retail sector has come off age and has gone through major transformation over the last decade with a noticeable shift towards organized retailing.

According to A T Kearney, a US Based global management consulting firm has ranked India as the

fourth most attractive nation for retail investment among 30 flourishing markets.

As per Mr. DS Rawat, Assocham Secretary General “Favorable demographics, increasing urbanization, nuclearization of families, rising affluence amid customers, growing preference for branded products and higher aspirations are other factors which will drive retail consumption in India,” said

As per IANS, India’s market for fast moving consumer goods is expected to more than double to \$104 billion by 2020 from the present level of \$49 billion, a research report.

RESEARCH OBJECTIVES

1. To study the customers’ buying decision at retail stores.
2. To find the frequency of visit of customers to retail stores.
3. To understand buying habits of customers.

RESEARCH METHODOLOGY : In order to accomplish the objectives of the study, it is essential to articulate in manner in which it is to be conducted. The study was conducted in Indore city, as all the outlets are present in the close vicinity and it was the most feasible locations for researcher.

Research Design - The research is descriptive in nature. The study is aimed at describing the existing phenomenon of Consumer Buying Behavior. For that researcher studied various magazines, newspapers, books, reference materials and e-content.

Primary Data - A questionnaire survey was conducted for the purpose of the study. The questionnaire was designed to find out the Customers Buying Behavior at Organized FMCG Retail Outlets.

Secondary Data - Secondary data is the data, which already exists. Secondary data was collected mainly through the internet, company websites and some are taken from books and articles.

Sampling Design – Purposive sampling method was used and respondents were the customers, who are visiting the selected retail outlets and the person in-charge of the stores.

Sample Size - Total 280 respondents. A group of 70 respondents were interviewed personally from each store i.e. Big Bazaar, Reliance Fresh, Vishal Mega mart and D Mart and were asked to fill up the questionnaire.

Statistical tools – Customer’s perceptions towards different aspects of mega marts were measured by using of Likert scale, Ranking based model and multiple choice based questions were also used.

STATISTICAL ANALYSIS

1. Out of these Organized Retail Outlets, which you have visited the most?

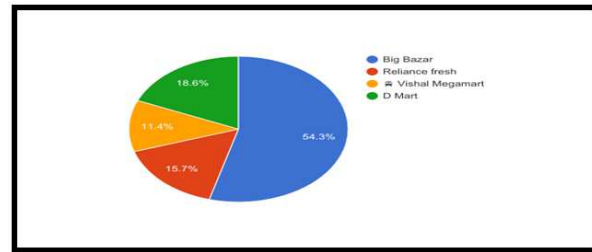


Figure 1 - Types of Retail Outlets

This Question was asked, so as to find out the customers preference in frequency of visiting organized retail outlets viz. Big Bazaar, Reliance Fresh, Vishal Mega mart and D Mart. It was found that almost all the respondents had visited Big Bazaar & D mart. 54.3% of respondents said they visited Big Bazaar the most because of its presence in most of the places while 18.6% said they visit other outlets.

Researcher has concluded that customers are keener towards the Proximity and Reach of the outlets.

2. How many times do you visit the organized retail outlets in a month?

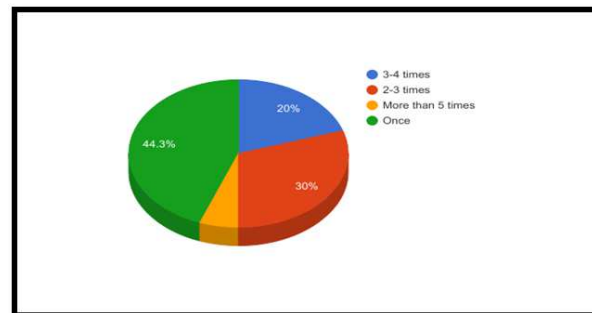


Figure 2- Frequency of customers visiting stores

This question was asked to the respondents to find out from which outlet they generally purchase. It was found that most of them purchased from Big Bazaar & D Mart, they are habituated to purchase as they are the oldest in the market & have wider network.

As per the survey, 44.3% of people visit the Mega marts only once in a month because of time, convenience & monthly budget. 30% of people said they visit 2-3 times in a month especially to buy fruits & vegetables, beverages etc. 5.7% of the sample size population visit more than 5 times especially during weekends with friends just to browse & visit the food courts.

Thus researcher has concluded that since India has the largest youth population, so the Browsing Behavior is the most common behavior noticed among them, having a food court, outlets such as Coffee Café Day, Chat Centers, Ice-cream parlors etc, can increase the footfall of the Mega Marts.

3. When do you purchase in bulk?

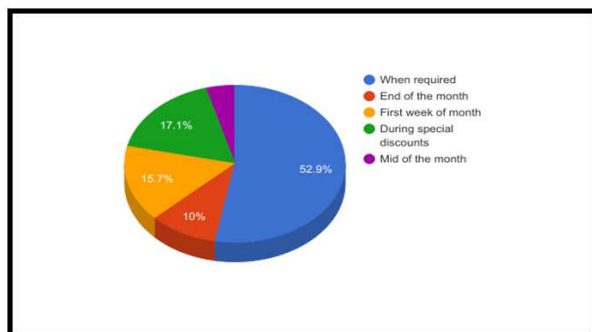


Figure 3 Purchasing Pattern of Customers

The question was designed to find out the purchasing trend followed by the customers. More than 52.9% of people purchase in bulk when they required. 17.1% of population does the bulk purchasing during the special discount, youngster generally prefer to shop at high discount and in festive seasons. Some families don't like to spend much time in shopping as this disturbs their monthly schedule. While 10% of the population responded they do the bulk purchasing during End of the month. service class families generally prefer to purchase in the beginning of the year because they are generally credited with the salaries at that time.

Thus researcher has concluded that special offers & schemes drive more youngsters to outlets and at the same time help in increasing the sales.

4. In buying products at organized retail outlets you are sensitive towards:

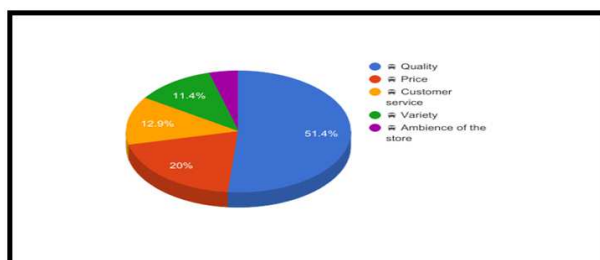


Figure 4- Buying factors

This question was asked to the customers to find out their perception about the different attributes while purchasing from organized retail outlets. As Indian customers are price sensitive, 20% of the population feels Price is the most important attribute while purchasing from organized outlets. 51.4% of the respondents gives wattage to the quality of the product that is being sold. 12.9% feel ambience is also very important for the survival of these organized outlets.

CONCLUSION : From above survey researcher has concluded as below:

1. Proximity of the retail outlets to the customer is the important factor to visit stores.
2. In buying decision, customers are price sensitive and seek value for money.

3. The purchasing pattern of the customers is changing according to stores and offered schemes.
4. Support service system is not that much important in grocery retail, Quality and Price matters.
5. Availability of variety of products prefers to choose organized retail store by customers.

LIMITATIONS

1. In total sample size, 32 respondents were left some questions unanswered.
2. Most of the respondents were not keen to fill the questionnaire.
3. Respondents were cooperative to fill the questionnaire.

SUGGESTIONS

1. Retail outlet must be well structured layout with right location.
2. Customers are Price Sensitive and at the same time Quality oriented so a good combined strategy should be used.
3. As customer prefer to buy fruits and vegetables on daily basis, grocery items on monthly basis, beverages and snacks on weekly basis and ready to eat food whenever they require so companies must have all the items on shelves accordingly.
4. People do not prefer to buy frozen foods and mostly prefer to eat homemade foods..
5. As most of the customers are from middle & lower income group, so there should be merchandises according to their needs.
6. Most of the crowd visit retail stores as a leisure time activity so retail stores should use some strategy to generate some income from such people.
7. As women do maximum purchasing and visiting the store, store should carry items which can increase the attention of the women.

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FINANCE MINISTER ANNOUNCE MEASURES FOR RELIEF AND CREDIT SUPPORT RELATED TO BUSINESSES, ESPECIALLY MSMEs TO SUPPORT INDIAN ECONOMY'S FIGHT AGAINST COVID-19

- Rs 3 lakh crore Emergency Working Capital Facility for Businesses, including MSMEs
- Rs 20,000 crore Subordinate Debt for Stressed MSMEs
- Rs 50,000 crore equity infusion through MSME Fund of Funds
- New Definition of MSME and other Measures for MSME
- No Global tenders for Government tenders of upto Rs 200 crore
- Extending the Employees Provident Fund Support for business and organised workers for another 3 months for salary months of June, July and August 2020
- EPF Contribution to be reduced for Employers and Employees for 3 months to 10% from 12% for all establishments covered by EPFO for next 3 months
- Rs. 30,000 crore Special Liquidity Scheme for NBFC/HFC/MFIs
- Rs. 45,000 crore Partial credit guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs
- Rs 90,000 crore Liquidity Injection for DISCOMs
- Relief to Contractors given by extension of up to six months for completion of contractual obligations, including in respect of EPC and concession agreements
- Relief to Real Estate Projects the registration and completion date for all registered projects will be extended up to six months.
- Tax relief to business as pending income tax refunds to charitable trusts and non-corporate businesses and professions to be issued immediately
- Reduction in Rates of 'Tax Deduction at Source' and 'Tax Collected at Source' by 25% for the remaining period of FY 20-21
- Due Dates for various tax related compliances extended

Hon'ble Prime Minister Shri Narendra Modi yesterday announced a Special economic and comprehensive package of Rs 20 lakh crores - equivalent to 10% of India's GDP. He gave a clarion call for Self-Reliant India Movement. He also outlined five pillars of Aatmanirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand.

During the press conference here today, Union Minister of Finance & Corporate Affairs Smt. Nirmala Sitharaman said in her opening remarks that Prime Minister Shri Narendra Modi had laid out a comprehensive vision in his address to the Nation yesterday. She further said

that after spending considerable time, the Prime Minister has himself ensured that inputs obtained from widespread consultation form a part of economic package in fight against COVID-19.

"Essentially, the goal is to build a self-reliant India that is why the Economic Package is called Aatma Nirbhar Bharat Abhiyaan. Citing the pillars on which we seek to build Aatma Nirbhar Bharat Abhiyaan, Smt. Sitharaman said our focus would be on land, labour, liquidity and law.

The Finance Minister further said that the Government under the leadership of Prime Minister Shri Narendra Modi has been listening and is a responsive Government, hence it is fitting to recall some reforms which have been undertaken since 2014.

"Soon after Budget 2020 came COVID-19 and within hours of the announcement of Lockdown 1.0, Pradhan Mantri Garib Kalyan Yojna (PMGKY) was announced," Smt. Sitharaman said. She further said that we are going to build on this package.

"Beginning today, for the next few days, I shall be coming here with the entire team of the Ministry of Finance to detail the Prime Minister's vision for Aatma Nirbhar Bharat laid out by the Prime Minister yesterday," Smt Sitharaman said.

Smt. Nirmala Sitharaman today announced measures focused on Getting back to work i.e., enabling employees and employers, businesses, especially Micro Small and Medium Enterprises, to get back to production and workers back to gainful employment. Efforts to strengthen Non-Banking Finance Institutions (NBFCs), Housing Finance Companies (HFCs), Micro Finance Sector and Power Sector were also unfolded. Other than this, the tax relief to business, relief from contractual commitments to contractors in public procurement and compliance relief to real estate sector were also covered.

Over the last five years, the Government has actively taken various measures for the industry and MSME. For the Real Estate sector, the Real Estate (Regulation and Development) Act [RERA] was enacted in 2016 to bring in more transparency into the industry. A special fund for affordable and middle income housing was set up last year to help with the stress in this segment. To help MSMEs with the issue of delayed payment by any Government department or PSUs, Samadhaan Portal was launched in 2017. A Fund of Funds for startups was set up under SIDBI to boost entrepreneurship in the country and various other credit guarantee schemes to help flow of credit to the MSMEs.

Following measures were announced today:-

1. Rs 3 lakh crore Emergency Working Capital Facility for Businesses, including MSMEs : To provide relief to the business, additional working capital finance of 20% of the outstanding credit as on 29 February 2020, in the form of a Term Loan at a concessional rate of interest will be provided. This will be available to units with upto Rs 25 crore outstanding and turnover of up to Rs 100 crore whose accounts are standard. The units will not have to provide any guarantee or collateral of their own. The amount will be 100% guaranteed by the Government of India providing a total liquidity of Rs. 3.0 lakh crores to more than 45 lakh MSMEs.

2. Rs 20,000 crore Subordinate Debt for Stressed MSMEs : Provision made for Rs. 20,000 cr subordinate debt for two lakh MSMEs which are NPA or are stressed. Government will support them with Rs. 4,000 Cr. to Credit Guarantee Trust for Micro and Small enterprises (CGTMSE). Banks are expected to provide the subordinate-debt to promoters of such MSMEs equal to 15% of his existing stake in the unit subject to a maximum of Rs 75 lakhs.

3. Rs 50,000 crores equity infusion through MSME Fund of Funds : Govt will set up a Fund of Funds with a corpus of Rs 10,000 crore that will provide equity funding support for MSMEs. The Fund of Funds shall be operated through a Mother and a few Daughter funds. It is expected that with leverage of 1:4 at the level of daughter funds, the Fund of Funds will be able to mobilise equity of about Rs 50,000 crores.

4. New definition of MSME : Definition of MSME will be revised by raising the Investment limit. An additional criteria of turnover also being introduced. The distinction between manufacturing and service sector will also be eliminated.

5. Other Measures for MSME : e-market linkage for MSMEs will be promoted to act as a replacement for trade fairs and exhibitions. MSME receivables from Government and CPSEs will be released in 45 days

6. No Global tenders for Government tenders of up to Rs 200 crores. : General Financial Rules (GFR) of the Government will be amended to disallow global tender enquiries in procurement of Goods and Services of value of less than Rs 200 crores

7. Employees Provident Fund Support for business and organised workers : The scheme introduced as part of PMGKP under which Government of India contributes 12% of salary each on behalf of both employer and employee to EPF will be extended by another 3 months for salary months of June, July and August 2020. Total benefits accrued is about Rs 2500 crores to 72.22 lakh employees.

8. EPF Contribution to be reduced for Employers and Employees for 3 months : Statutory PF contribution of both employer and employee reduced to 10% each from existing 12% each for all establishments covered by EPFO for next 3 months. This will provide liquidity of about Rs.2250 Crore per month.

9. Rs 30,000 crores Special Liquidity Scheme for NBFC/HFC/MFIs : Government will launch Rs 30,000 crore Special Liquidity Scheme, liquidity being provided by RBI. Investment will be made in primary and secondary market transactions in investment grade debt paper of NBFCs, HFCs and MFIs. This will be 100 percent guaranteed by the Government of India.

10. Rs 45,000 crores Partial credit guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs : Existing Partial Credit Guarantee scheme is being revamped and now will be extended to cover the borrowings of lower rated NBFCs, HFCs and other Micro Finance Institutions (MFIs). Government of India will provide 20 percent first loss sovereign guarantee to Public Sector Banks.

11. Rs 90,000 crore Liquidity Injection for DISCOMs : Power Finance Corporation and Rural Electrification Corporation will infuse liquidity in the DISCOMs to the extent of Rs 90000 crores in two equal instalments. This amount will be used by DISCOMs to pay their dues to Transmission and Generation companies. Further, CPSE GENCOs will give a rebate to DISCOMs on the condition that the same is passed on to the final consumers as a relief towards their fixed charges.

12. Relief to Contractors : All central agencies like Railways, Ministry of Road Transport and Highways and CPWD will give extension of up to 6 months for completion of contractual obligations, including in respect of EPC and concession agreements

13. Relief to Real Estate Projects : State Governments are being advised to invoke the Force Majeure clause under RERA. The registration and completion date for all registered projects will be extended up to 6 months and may be further extended by another 3 months based on the State's situation. Various statutory compliances under RERA will also be extended concurrently.

14. Tax Relief to Business : The pending income tax refunds to charitable trusts and non-corporate businesses and professions including proprietorship, partnership and LLPs and cooperatives shall be issued immediately.

15. Tax related measures

- Reduction in Rates of 'Tax Deduction at Source' and 'Tax Collected at Source' - The TDS rates for all non-salaried payment to residents, and tax collected at source rate will be reduced by 25 percent of the specified rates for the remaining period of FY 20-21. This will provided liquidity to the tune of Rs 50,000 Crore.
- The due date of all Income Tax Returns for Assessment Year 2020-21 will be extended to 30 November, 2020. Similarly, tax audit due date will be extended to 31 October 2020.
- The date for making payment without additional amount under the "Vivad Se Vishwas" scheme will be extended to 31 December, 2020.

Source : PIB

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FINANCE MINISTER ANNOUNCES MEASURES TO STRENGTHEN AGRICULTURE INFRASTRUCTURE LOGISTICS, CAPACITY BUILDING, GOVERNANCE AND ADMINISTRATIVE REFORMS FOR AGRICULTURE, FISHERIES AND FOOD PROCESSING SECTORS

- Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers
- Rs 10,000 crore scheme for formalisation of Micro Food Enterprises (MFE)
- Rs 20,000 crore for Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY)
- National Animal Disease Control Programme
- Setting up of Animal Husbandry Infrastructure Development Fund - Rs. 15,000 crore
- Promotion of Herbal Cultivation : outlay of Rs 4,000 crore
- Beekeeping initiatives –Rs 500 crore
- From 'TOP' to TOTAL – Rs 500 crore
- Measures for Governance and Administrative Reforms for Agriculture Sector
 - o Amendments to Essential Commodities Act to enable better price realisation for farmers
 - o Agriculture Marketing Reforms to provide marketing choices to farmers
 - o Agriculture Produce Price and Quality Assurance

Hon'ble Prime Minister Shri Narendra Modi announced a Special economic and comprehensive package of Rs 20 lakh crore - equivalent to 10% of India's GDP on 12th May 2020. He gave a clarion call for Self-Reliant India Movement. He also outlined five pillars of Atmanirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand.

Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman today in her press conference **announced the 3rd Tranche of measures to strengthen Infrastructure Logistics, Capacity Building, Governance and Administrative Reforms for Agriculture, Fisheries and Food Processing Sectors.**

Giving details, Smt. Sitharaman said that out of these 11 measures, 8 measures are for improving agricultural infrastructure and 3 measures are for administrative and governance reforms, including removing restrictions on sale and stock limits of farm produce.

In her opening remarks, the Union Finance Minister said that two significant Agriculture-related measures were also announced yesterday to support farmers, **Rs 30,000 crore as Additional Emergency Working Capital facility through NABARD** to enable RRBs and Cooperative Banks extending farm loans for Rabi post-harvest and Kharif expenses. And second was a mission-mode drive to enable **Rs 2 lakh crore credit boost to the farm sector**

by covering 2.5 crore PM- KISAN beneficiaries under Kisan Credit Card Scheme by December 2020.

Outlining what the Government has done over the last 2 months, the Finance Minister said that during lockdown period **Minimum Support Price (MSP) purchases of amount more than Rs 74,300 crore, PM KISAN fund Transfer of Rs 18,700 crore and PM Fasal Bima Yojana claim payment of Rs 6,400 crore have been made.**

Further, during Lockdown, Demand of Milk reduced by 20-25%. Accordingly, 560 Lakh litre per day (LLPD) were procured by cooperatives against daily sale of 360 LLPD. **Total 111 crore litres of milk extra procured ensuring payment of Rs 4,100 crore.**

Further, **a new scheme to provide interest subvention @2% per annum to dairy cooperatives** for 2020-21 has been launched, also providing additional 2% p.a interest subvention on prompt payment/interest servicing. **This scheme will unlock Rs 5,000 crore additional liquidity, benefitting 2 crore farmers.**

For fisheries Sector, all 4 COVID related announcements made on 24th March for fisheries have been implemented. Further, Registration of 242 Registered Shrimp hatcheries and Nauplii Rearing Hatcheries expiring on 31.03.2020 extended for 3 months and Operations of Marine Capture Fisheries and Aquaculture relaxed to cover Inland Fisheries.

Smt. Sitharaman said that the announcements made today will provide long-term and sustained impact on lives of farmers, fishermen, food processing micro enterprises.

The Finance Minister announced the following measures to strengthen Infrastructure Logistics and Capacity Building for Agriculture, Fisheries and Food Processing Sectors: —

1. Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers

Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure

Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture entrepreneurs, Start-ups, etc.). Impetus for development of farm-gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure. Fund will be

created immediately.

2. Rs 10,000 crore scheme for Formalisation of Micro Food Enterprises (MFE)

A Scheme promoting vision of Prime Minister Shri Narendra Modi: **‘Vocal for Local with Global outreach’** will be launched to help 2 lakh MFEs who need technical upgradation to attain FSSAI food standards, build brands and marketing. Existing micro food enterprises, Farmer Producer Organisations, Self Help Groups and Cooperatives to be supported. The focus will be on women and SC/ST owned units and those in Aspirational districts and a Cluster based approach (e.g. Mango in UP, Tomato in Karnataka, Chilli in Andhra Pradesh, Orange in Maharashtra etc.) will be followed.

3. Rs 20,000 crore for fisherman through Pradhan Mantri Matsya Sampada Yojana (PMMSY)

The Government will launch the PMMSY for integrated, sustainable, inclusive development of marine and inland fisheries. Rs 11,000 crore for activities in Marine, Inland fisheries and Aquaculture and Rs. 9000 crore for Infrastructure - Fishing Harbours, Cold chain, Markets etc shall be provided. Cage Culture, Seaweed farming, Ornamental Fisheries as well as New Fishing Vessels, Traceability, Laboratory Network etc. will be key activities. There will be provisions of Ban Period Support to fishermen (during the period fishing is not permitted), Personal & Boat Insurance. This will lead to Additional Fish Production of 70 lakh tones over 5 years, Employment to over 55 lakh persons and double the exports to Rs 1,00,000 crore. The focus will be on Islands, Himalayan States, North-east and Aspirational Districts.

4. National Animal Disease Control Programme

National Animal Disease Control Programme for Foot and Mouth Disease (FMD) and Brucellosis launched with total outlay of Rs. 13,343 crore to ensure 100% vaccination of cattle, buffalo, sheep, goat and pig population (total 53 crore animals) for Foot and Mouth Disease (FMD) and for brucellosis. Till date, 1.5 crore cows & buffaloes tagged and vaccinated.

5. Animal Husbandry Infrastructure Development Fund - Rs. 15,000 crore

An Animal Husbandry Infrastructure Development Fund of Rs. 15,000 crore will be set up, with an aim to support private investment in Dairy Processing, value addition and cattle feed infrastructure. Incentives will be given for establishing plants for export of niche products.

6. Promotion of Herbal Cultivation: Outlay of Rs. 4,000 crore

The National Medicinal Plants Board (NMPB) has supported 2.25 lakh hectare area under cultivation of medicinal plants. 10,00,000 hectare will be covered under Herbal cultivation in next two years with outlay of Rs. 4,000 crore. This will lead to Rs. 5,000 crore income generation for farmers. There will be network of regional Mandis for Medicinal Plants. NMPB will bring

800-hectare area by developing a corridor of medicinal plants along the banks of Ganga.

7. Beekeeping initiatives – Rs 500 crore

Government will implement a scheme for: 1. Infrastructure development related to Integrated Beekeeping Development Centres, Collection, Marketing and Storage Centres, Post Harvest & value Addition facilities etc; Implementation of standards & Developing traceability system Capacity building with thrust on women; Development of quality nucleus stock and bee breeders.

This will lead to increase in income for 2 lakh beekeepers and quality honey to consumers.

8. From ‘TOP’ to TOTAL - Rs 500 crore

“Operation Greens” run by Ministry of Food Processing Industries (MOFPI) will be extended from tomatoes, onion and potatoes **to ALL fruit and vegetables. The Scheme would provide** 50% subsidy on transportation from surplus to deficient markets, 50% subsidy on storage, including cold storages and will be launched as pilot for the next 6 months and will be extended and expanded. This will lead to better price realisation to farmers, reduced wastages, affordability of products for consumers.

During the press conference, the Union Finance Minister also announced following measures for Governance and Administrative Reforms for Agriculture Sector:-

1. Amendments to Essential Commodities Act to enable better price realisation for farmers

The Government will amend Essential Commodities Act. Agriculture food stuffs including cereals, edible oils, oilseeds, pulses, onions and potato shall be deregulated. Stock limit will be imposed under very exceptional circumstances like national calamities, famine with surge in prices. Further, No such stock limit shall apply to processors or value chain participant, subject to their installed capacity or to any exporter subject to the export demand.

1. Agriculture Marketing Reforms to provide marketing choices to farmers A Central law will be formulated to provide -

- adequate choices to the farmer to sell their produce at remunerative price; barrier free Inter- State Trade; a framework for e-trading of agriculture produce.

1. Agriculture Produce Pricing and Quality Assurance: The Government will finalise a **facilitative legal framework** to enable farmers to engage with processors, aggregators, large retailers, exporters etc. in a fair and transparent manner. Risk mitigation for farmers, assured returns and quality standardisation shall form integral part of the framework.

Source : Ministry of Finance

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SUPPLY CHAIN CHALLENGES IN MANAGING DEMAND AND SUPPLY DURING TURBULANT TIMES- COVID-19 PANDEMIC ERA

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Abstract : Demand variability in a supply chain brings lot of challenges to the organizations. With reduced demand uncertainty, a supply chain manager can better match demand and supply by reducing both over stocking and understocking costs. Demand variability is better managed by both managing demand and supply. This paper has been written considering the ongoing Covid-19 pandemic outbreak. Reduction of demand variability tools were discussed. Situation is entirely different and complex in nature due to complete lockdown across the country. Major challenges faced by the companies and managing their supply chains were discussed. Secondary data are considered for discussion. Specific issues related to essential food items like price increase, low demand, low or no supply, shortage of labours, less production etc in the supply chains were mentioned. The author has highlighted some of the action points for developing disruptions proofing supply chains.

Keywords: Supply chain disruptions, Covid-19 pandemic, demand variability, supply chain risks.

Introduction : Supply chain management is a systems approach to managing the entire flow of materials, services, money and information from raw materials suppliers through factories and warehouses to the end customer. The Institute for Supply Management (ISM) glossary defines supply chain management as 'the design and management of seamless, value added processes across organizational boundaries to meet the real needs of the end customer. The development and integration of people and technological resources are critical to successful supply chain integration' (Fraser Johnson & Anna Flynn, 2019).

The supply chain conjures up images of product or supply moving from suppliers to manufacturers to distributors to retailers to customers along a chain. Thus, most of supply chains are actually networks. It may be more accurate to use the term supply networks or supply web to describe the structure of most supply chains. A typical supply chain may involve a variety of stages. These supply chain stages include: i. Components raw materials suppliers, ii. Manufacturers, iii. Wholesalers / distributors, iv. Retailers and v. Customers.

Supply chain is understood as a bridge between demand and supply. It conveys the demand to the supply point and delivers the supply to the demand point (Altekar, 2005). In fact, effective SCM is the result of powerful alliance between customer, manufacturer, and the supplier. APICS is part of Association of Association of Supply Chain Management (ASCM), USA. The APICS Dictionary, 13th edition, defines supply chain management as "the design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand, and measuring performance globally ([www.apics.org / sites](http://www.apics.org/sites)). It is said that SCM provides a major source of competitive and financial advantage in terms of superior customer preference with affordable cost (low cost).

Supply chains exist in both service and manufacturing organizations, although the complexity of the chain may vary from industry to industry and firm to firm.

Optimal level of maintaining the inventory brings lot challenges to inventory / warehousing managers. Inventory ensures the product availability. The two key factors that influence the optimal level of product availability are: i. Cost of overstocking the product and ii. Cost of understocking the product. The cost of over stocking is the loss incurred by a firm for each unsold unit at the end of the selling seasons. The cost of understocking is the margin lost by a firm for each sale lost sale because there is no inventory on hand. Both are impacting the profitability of the company.

Supply chain profitability is the reduction of demand uncertainty. With reduced demand uncertainty, a supply chain manager can better match demand and supply by reducing both over and understocking. The supply chain manager can reduce demand uncertainty via the following ways shown in table 1:

Table 1 Reduction of demand uncertainty

Ways	Description
1. Improved forecasting	Use better market intelligence and collaboration to reduce

	demand uncertainty.
2. Quick response	Reduce replenishment lead time so that multiple orders may be placed in the selling.
3. Postponement	In a multiproduct setting. Postpone product differentiation until closer to the point sale.
4. Tailored sourcing	Use a low lead time, expensive supplier as a backup for a low cost and long lead time supplier.

Source: Sunil Chopra, Peter Meindl & Kalra, 2011.

Demand for many products, however, changes frequently from time to time, often because of a predictable influence. Predictable variability is change in demand that can be forecasted. Unpredictable demand is the demand variability that cannot be predictable. Both types are going create numerous problems in the supply chain, ranging from high levels of stock outs during peak demand (during Covid-19 lockdown period).

Predictable variability in demand can be handled in two ways: as shown the table 2

Table 2 Managing predictable demand variability

Options	Strategies	Details
Managing Supply	Managing Capacity	Time flexibility from workforce, Use of seasonal workforce, Use of sub-contracting, Use of dual facilities, Designing product flexibility into the production processes.
	Inventory	Use common components across multiple products, Build inventory of high demand or predictable demand products
Managing Demand	Pricing	Offering price discounts
		Trade promotions Promotion decisions.

Source: Sunil Chopra, Peter Meindl & Kalra, 2011.

Supply chain challenges during Covid-19 Pandemic Era

Events like Covid-19 pandemic upend global supply chains and leave companies scrambling, from internal decisions to how to work with suppliers and customers, here is what to do now. Supply chain disruption often have a 'bullwhip effect'.

Major supply chain challenges faced by Indian Companies are shown in table 3.

Table 3 Major challenges faced by Indian Sectors

Sl.No	Major Challenges	Effects	Affected sectors
1	Panic buying	Customers are started buying more than their current demand due to panic. There is a mismatch between demand and supply. This has resulted price increase.	All essential items like, rice, pulses vegetables, sugar, fruits, biscuits, noodles, snacks etc
2	Low production output or Zero output	Besides manufacturing industries, FMCG companies say workmen have returned home. They will not comeback in near future. Shortage of workmen. All FMCG companies are facing problems related to supply and manufacturing.	ITC, Britannia, Pepsi, Parle etc
3	All meals at home	Residential demand up as families are eating all meals at home during lockdown period. In mates are forced to prepare their own meals at home, though food retail aggregators like Zomato, Swiggy etc are fulfilling the demand to some extent.	Hotels and restaurants were closed. Food chain aggregators could not meet the full demand.
4	No means to transport	No means to transport the products. Thousands of truck were stranded at different locations, they could not deliver the items to their customers.	Warehousing operations, and distribution have been affected completely.
5	Last mile delivery of essential items	During the turbulent times, it was found that two important weakest links	Both inbound and outbound logistics operations became

		in the supply chains are sourcing & procurement and logistics (transportation and warehouse operations).	poor. This has created a cascading effect on sourcing & procurement.
6	Production and Operational related issues.	Operated at 20-30 % capacity because most of workmen have moved back to their native places and truck movement became poor or zero.	Sugar mills, pulse mills, and FMCG suppliers have reduced their capacity.
7	Supply chain network configuration issues	Food processing units/ pulse processing mills are located away from the markets. So, short supply of essential items.	Pulses supply are in short supply. 75% of the mills in producing states like MP, Rajasthan and Maharashtra are closed.

Source: DH, TOI News Report, April, 2020.

Specific effects are: i. demand drop by 40% for fruits and vegetables. These items are having short life cycle, could not be delivered to markets, and ii. 70% of farmers affected. Because their produces could not be delivered to the market places. Major crops affected are: Watermelon, muskmelon, grapes, pineapple, papaya, pomegranate, mosambi, sapota, banana etc.

Last mile delivery of essential items during pandemic era: In Chennai, Swiggy, Zomato, and Dunzo companies are engaged in delivery of milk, vegetables and fruits to houses. In fact, Aavin has signed a contract with Swiggy to deliver their milk packets to house hold units on daily basis in Chennai. Aavin is the trademark of Tamil Nadu Co-operative Milk Producers' Federation Limited, a Tamil Nadu-based milk producer's union. Aavin procures milk, processes it and sells milk and milk products to consumers all over Tamil Nadu.

Case Study on Operations of Important Mills in Karnataka : Rice, wheat, dal and sugar are considered as essential food items. Table 4 shows the operational level of mills.

Table 4 Operational levels of important mills

Sl.No	Type of Mill	Total Mills	Functional	Non-functional	Effect
1	Rice mills	1488	858	630 (42.3%)	Price increase by 15% .
2	Wheat mills	50	34	16(32%)	Price increase by 125 and also no supply.
3	Dal mills	260	254	06(2.3%)	Price increase by 20%.
4	Sugar factories	67	25	42(62.6%)	Price increase by 18%.

Source: State Supply Chain Management Cell, Karnataka.

Conclusion : Covid-19 pandemic outbreak has affected public life to a larger extend and made the economic activities into a grinding halt across all sectors. These natural and manmade disruptions are the turbulent new realities of global supply chain (Hau Lee, Professor, Stanford Graduate School of Business, USA). The world is not as flat as it used to be, it's bumpy. The question is how to create an agile and flexible response. The companies also need visibility outside the supply chain than to know what is happening in their existing supply chain and companies also should build more flexibility into the production process, what someone call 'operational hedging'. In the post covid-19 lockdown, the governments should take quick corrective measures to put the public as well as economic activities back to normal conditions. Agricultural supply chains should also be given equal priority in managing demand and supply. Marketing and distribution procedures of food products should be streamlined. Handling demand variability in normal circumstances is much easier than during turbulent times. Supply chain network configuration issues should be handled in a logical manner, not because of low cost but also considering reliability in supplies.

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DRIVING DIGITALIZATION IN PROCUREMENT

KISHOR NAREWADI
MAHINDRA AND MAHINDRA-FES

Digital age has produced many emerging technologies to us. These presenting new opportunities to businesses for predict and respond more effectively to market demands. With this we can reduce cost to market and increase speed to market of our product. Change is never easy to deal with. Change doesn't need to be disruptive, or revolutionary to organizations processes. But it does need to be managed properly. For that reason it will be a trending strategy to put digitalization projects into motion.



The digitalization of supply chain management has been initiated in many organizations. There are many concerns while driving digitization. Senior management doubts the impact of digitization. Traditionalists seating calm but, many are on the way and many had already done. Many organizations not started due to lack of quality supply chain data and the process gap. Huge ambiguity is there in between those who dare to change and those who dare to sit idly. Change occurs in a supply chain management team more specifically a procurement or sourcing team with a clear process in place. Having a process or infrastructure for change in place is instrumental for reaching goals and developing organizational processes. Change process allows the ability to plug-and-play, making it customizable to the specifics of an organization's desired change.

Youngster's impact on traditional procurement: In a company survey 87% of participants agreed that talent should be held as one of the key indicators of driving procurement performance. Digital transformation, data-driven procurement, implementation of cloud-based technology is forcing procurement organizations to look towards younger generations to shake up their teams. At this coming year you can expect to see a lot more youngsters filling entry-level positions in our procurement team. There must be combination of full-grown and spanking new professionals in our procurement organization. Procurement organizations have trouble for recruiting new talent. Recruiting youngster generation is more difficult. While procurement transformation it is easy to recruit some

analyst, but there may be some concern for inviting young procurement professionals. Procurement is not promoted well enough. From our experience, there is no an option to study the function itself. In some universities you could get some insight, but there isn't enough focus on procurement. For this reason numerous young people don't know about it. This concern is really appealing. Especially nowadays, where everything is evolving so fast and we need everyone to be connected to the market constantly. We think procurement will be really impressive to generation "Y".

Existing management teams are beginning to understand the necessity of recruitment and this new wave of talent might be the perfect fit for procurement. An especially youngster comes from a fast food world, rooted within quick decision-making, instant gratification and a restless attitude. This can cause issues within a function where experience and risk assessment is valued. It can also create circumstances for complimentary fit. Procurement as a business function is in the midst of a digital transformation. Today's youngsters are looking to make their mark professionally. It is a stalwart way to leverage their technological competencies & run with transformation projects. The best procurement professionals and organizations are always looking forward to diverse cutting edge solutions. Directing youngsters impatient tendencies towards finding these solutions will keep them focused on growing within their companies rather than looking for opportunities elsewhere. A consulting company said some of the traits that they have been identified in the new wave of youngster's talent. Things will begin to look a bit younger in 2020. Technological change is occurring at an exponential rate. Streamlining procurement related tasks through the automation and augmentation of Chabot capability requires access to robust and intelligent data sets, in which the "PROCUEBOT" would be able to access as a frame of reference.

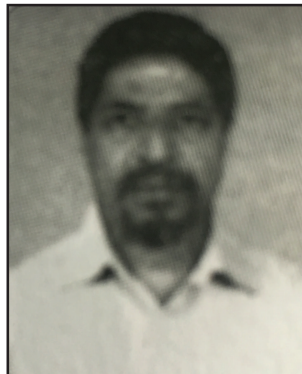


We feel the following steps to adopt for best result:-

1. **Sense of importance:** 75% of our team needs to be on-board with the proposed change.
2. **Create the Guiding partnership:** Find the people to lead the change.
3. **Announce a Vision and Strategy:** Combine your team behind a vision, and recap the strategy by your influence.
4. **Communicate Vision:** Communicate your vision by messaging, mail & mass communication. Simple message will create focus of change to team members.
5. **Empower Employee's for Action:** Clear our ideas
6. **Roll on short projects:** Quick wins related to the change will motivate & recognize efforts. It is necessary to keep the opposition away.
7. **Find the gains and move further:** Winning in the short-term is essential. The allocation / reallocation of resources are mandatory for revamp.
8. **Create new approach:** we will see culture change in our organization. Establish the same culture in whole company after properly managing a change process.

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OBITUARY



We pay our homage to the departed IIMM leader **Mr Narayanan Potti**.

Mr Narayanan Potti was an active Executive member & vibrant participant in all IIMM activities. He was an Industrialist and was Managing Director of Trans Waves Electronics Cochin, major dealer of all electrical equipments. He was prominent in Cochin society and worked with several charitable organisations. Mr Narayanan Potti was Founder Secretary of Cochin Cancer Society, former College Union Chairman, Maharaja's college Ernakulam. He was ailing for a short period. He is survived by his wife and son. By his departure, we have lost a dependable and energetic personality.

IIMM Cochin branch places on record our heartfelt condolences and remember the great services he has rendered for IIMM and society at large.

May his soul rest in peace.



ECONOMICS & INNOVATION

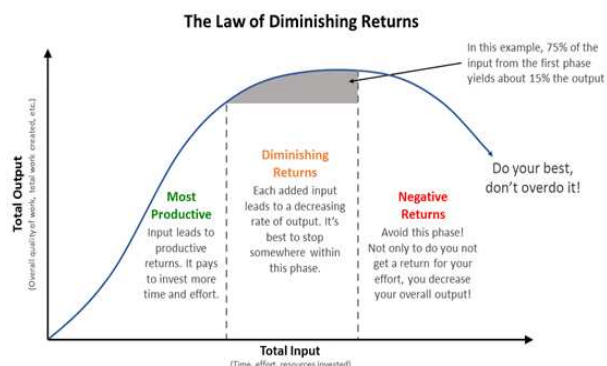
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A . Economics : Economics is a complex subject filled with a maze of confusing terms and details which can be difficult to explain. Even economists have trouble defining exactly what economics means. Yet, there is no doubt that the economy and the things we learn through economics affect our everyday lives. At its core, economics is the study of how individuals, groups, and nations manage and use resources. A lot of work and rigorous statistical analyses have been done for clear understanding of economics and to establish its implications.

Most of economists have “**The Law of Diminishing Returns**” in their tool kits.

It is a classical concept in economics that says; if one factor of production (e.g.; number of workers) is increased while other factors (e.g.; work space) are held constant, the output per unit of the variable factor will eventually diminish. Basically, this law means that- the gain is not worth the pain; at some point- outcome is not worth the effort and cost. Law of Diminishing Returns means—often ‘more’ does not necessarily equal ‘better’; in fact, ‘more’ may mean ‘higher’ cost without ‘benefit’.



- **Stage 1: Increasing returns.** Initially, adding to one production variable is likely to improve the output, as the fixed inputs are in abundance compared to the variable one. Therefore, adding more units of the variable factor will use the fixed

factors more efficiently and increase production.

- **Stage 2: Diminishing returns.** As more units of the variable factor are added, the overall production will continue to increase. However, during this stage, the total product increases at a continuously decreasing rate. This process culminates with the product reaching its maximum value, meaning that the marginal product becomes zero. Optimum production is set somewhere within this stage. Adding more units of the variable factor after this point will lead to the overall output starting to diminish.
- **Stage 3: Negative returns.** Excessively adding to the variable input after the point of optimum production will eventually lead not only to a decrease in efficiency but even to a negative return of production. The excess in the variable factor now has a negative effect on the whole production process.

It can be understood with following simple examples:

- A restaurant has two chefs that are each capable of cooking 20 meals per day, resulting in a total output of 40 meals per day. They add a new chef, and production increases to 60 meals per day. They then add another chef and production only increases to 70 meals per day. The reasons can be related to a lack of kitchen space and equipment to fully accommodate all four chefs.
- A farmer owns a certain amount of land and is able to use fixed amounts of seeds, water and human labour. However, they can increase the amount of fertilizer they use to increase production yield. As the quantity of used fertilizer increases, the same land will produce a better crop than before. After a certain point, however, adding more fertilizer will not result in the same increase in output, as too much fertilizer could damage the crops.

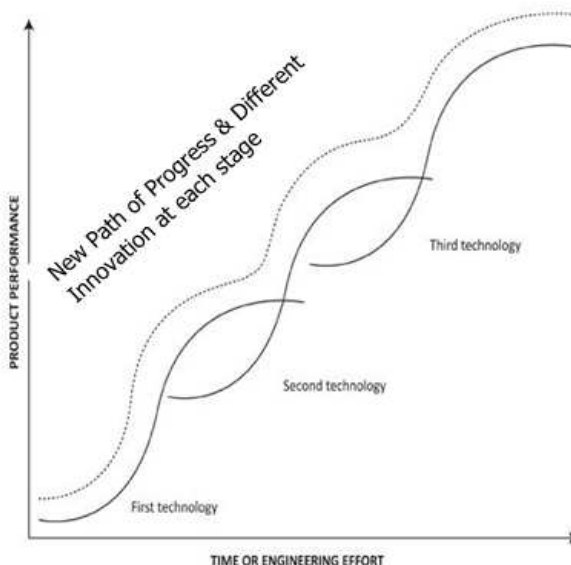
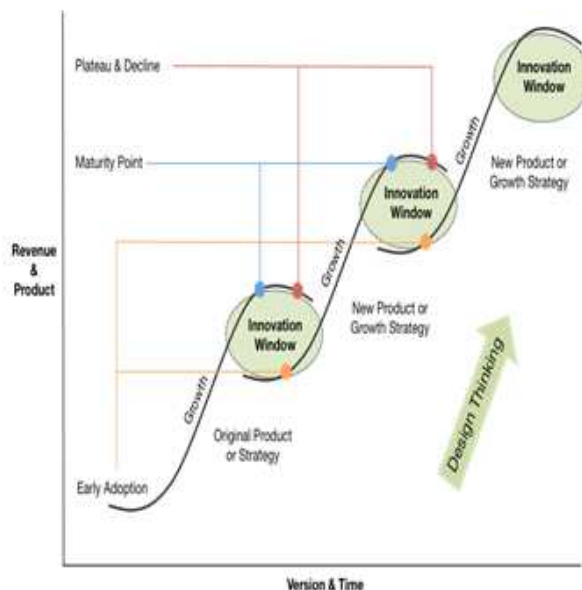
By understanding the concepts behind the Law of Diminishing Returns, managers and CEOs work

toward an optimal equilibrium that maximizes the efficiency of their businesses.

B. Innovation

Basically, every producer wants to postpone the law. It is only possible when the new methods of production, new tools, raw materials etc are innovated. All these factors put a check on the operation of the law of diminishing returns.

It's common sense that you cannot grow market share forever. At some point, you reach diminishing returns and you have to find new markets, new customers, or sell more to the same customer. You need to migrate to the next opportunity. You have to "jump" to the next S-curve.



New Path of Progress & Different Innovation at each stage

Organizations of all types – e.g. for-profit businesses, not-for-profit charities, government departments, and even schools – sustain themselves, in large part, through the application of tried and tested solutions to the precedented problems. In more general terms, these core business activities may be described as a form of replication – in essence, doing the same thing over and over again, and expecting the same result or existing solutions to existing problems. Alone replication is not adequate where change occurs.

In such a situation, an organization has two simple choices. The organization innovates incrementally – finding improved solutions to the existing problem – or it remains anchored in replication, now doing the same thing over and over again, but expecting a different result.

Innovation is a response to change, and change injects novelty into an organization's activities, either through a pressure for new solutions to existing problems (incremental innovation), or through new solutions to wholly new problems (disruptive innovation). Organizations that respond to new problems with existing solutions drive themselves towards stagnation.

A simple and complementary representation of the value of innovation to organizations can be seen through the framework of diminishing returns. Most, if not all, systems are subject to the Law of Diminishing Returns, such that incremental improvements have a finite limit. Once the point of diminishing returns is reached, the relative value of the incremental innovation begins to decline.

Therefore, it is at the point of diminishing returns that organizations must supplement their incremental efforts with disruptive innovation – finding wholly new solutions to the problem.

C. Conclusion.

The tendency for a continuing effort toward a particular goal to decline in efficacy after a certain amount of success has been achieved. You jump to the next curve by breaking old patterns of thinking and behaving. If you keep doing what you have been doing, you'll keep getting what you have been getting." So, to get different outcomes, you need to do differently.

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“TRANSFORMING FUTURISTIC TECHNOLOGY ENABLED SUPPLY CHAIN 4.0 – EXPLORING CHALLENGES & OPPORTUNITY IN INDIA”!

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Abstract : The Next Generation Digital Supply Chain in –Re-Energise Future of India, digital technologies like social media, mobile, and analytics are advancing rapidly on the economic landscape. These innovations are used widely by consumers and employees alike. Facebook has more than 1 billion users. There are more than 6 billion mobile phones. Employees often have better digital solutions at home than they do at work, and many customers are more technology savvy than the people trying to sell to them.

India is at the cusp of a digital chain supply revolution. Declining broadband subscription prices, aided by the launch of 4G services, have been driving this trend. This has led to an ever-increasing number of “netizens.” Furthermore, the likely launch of 5G services is expected to significantly augment the country’s internet user base.

Internet has become an integral part of this growing Indian population segment for remaining connected with friends, accessing emails, buying movie tickets and ordering food. The changing lifestyles of the country’s urban population have also led many people relying on the internet for their shopping needs. The convenience of shopping from the comfort of one’s home and having a wide product assortment to choose from has brought about increased reliance on the online medium.

Disruptive innovations are currently changing the landscape of many industries and their business models. Because of increasingly digitalized processes and an exponential growth of sensible data, supply chains are also impacted by the fourth industrial revolution.



The trend of online shopping is set to see greater heights in coming years, not just because of India’s rising internet population, but also due to changes in the supporting ecosystem. Players have made intensive efforts to upgrade areas such as logistics and the payment infrastructure. Furthermore, the Indian consumer’s perception of online shopping has undergone a drastic change, and only for the good. Given these developments, venture capital investors, who were restricting themselves to the sidelines, are now taking a keen interest in the country’s e-Commerce market.

In today’s ferociously competitive global business environment, corporate are under compulsions to find new and unique ways to create and deliver value to customers through innovations and the demand to innovate and – Efficient, First and Tailored deliver better value addition is growing ever stronger and stronger.

Innovate to be strongly differentiated and transform supply chain to make it a driver for sustainable growth.

more generally, some commentators also use the terms the 'internet of things', the 'internet of everything' or the '**industrial internet**'.



The concept of industry 4.0 is widely used across Europe, particularly in Germany's manufacturing sector. In the United States and the English-speaking world more generally, some commentators also use the terms the 'internet of things', the 'internet of everything' or the 'industrial internet'.

What all these terms and concepts have in common is the recognition that traditional manufacturing and production methods are in the throes of a digital transformation. For some time now, industrial processes have increasingly embraced modern information technology (IT), but the most recent trends go beyond simply the automation of production that has, since the early 1970s, been driven by developments in electronics and IT (see Chart 1).

II. Industry 4.0 is the current trend of **automation** and data exchange in manufacturing technologies. It includes **cyber-physical systems**, the **Internet of things** and **cloud computing**. Industry 4.0 creates what has been called a "smart factory". Within the modular structured smart factories, cyber-physical systems monitor physical processes, create a virtual copy of the physical world and make decentralized decisions. Over the Internet of Things, cyber-physical systems communicate and cooperate with each other and with humans in real time, and via the Internet of Services, both internal and cross-organizational services are offered and used by participants of the **value chain**

While terms like industrial **Internet** and **digital factory** are also used to describe these changes, Here, we use **Industry 4.0** to describe the journey industrial companies are taking towards a complete value chain transformation. At the end of this transformation process, successful industrial companies will become true digital enterprises, with physical products at the core, augmented by digital interfaces and data-based, innovative services. These digital enterprises will work together with customers and suppliers in industrial digital ecosystems. These developments will fundamentally change individual companies as well as transform market dynamics across a whole range of industries. And that is true in countries all around the world—in both developed and emerging markets.

Connected manufacturing as Industry 4.0, several other commonly known terms may point to the same

phenomenon. These include:



- Industrial Internet
- Connected Enterprise
- SMART Manufacturing
- Smart Factory
- Manufacturing 4.0
- Internet of Everything
- Internet of Things for Manufacturing

The term "Industrie 4.0" originates from a project in the high-tech strategy of the **German government**, which promotes the **computerization** of manufacturing.

Design principles

There are 4 design principles in Industry 4.0. These principles support companies in identifying and implementing Industry 4.0 scenarios.^[1]

1. **Interoperability:** The ability of machines, devices, sensors, and people to connect and communicate with each other via the Internet of Things (IoT) or the Internet of People (IoP).
2. **Information transparency:** The ability of information systems to create a virtual copy of the physical world by enriching digital plant models with sensor data. This requires the aggregation of raw sensor data to higher-value context information.
3. **Technical assistance:** First, the ability of assistance systems to support humans by aggregating and visualizing information comprehensibly for making informed decisions and solving urgent problems on short notice. Second, the ability of cyber physical systems to physically support humans by conducting a range of tasks that are unpleasant, too exhausting, or unsafe for their human co-workers.
4. **Decentralized decisions:** The ability of cyber physical systems to make decisions on their own and to perform their tasks as autonomously as possible. Only in the case of exceptions, interferences, or conflicting goals, are tasks

delegated to a higher level.

III. Challenges

Challenges which have been identified include

1. IT security issues, which are greatly aggravated by the inherent need to open up those previously closed production shops



2. Reliability and stability needed for critical machine-to-machine communication (M2M), including very short and stable latency times
3. Need to maintain the integrity of production processes
4. Need to avoid any IT snags, as those would cause expensive production outages
5. Need to protect industrial knowhow (contained also in the control files for the industrial automation gear)
6. Lack of adequate skill-sets to expedite the march towards fourth industrial revolution
7. Threat of redundancy of the corporate IT department
8. General reluctance to change by stakeholders
9. loss of many jobs to automatic processes and IT-controlled processes, especially for lower educated parts of society

IV. Impact of Industry 4.0

Proponents of the term claim Industrie 4.0 will affect many areas, most notably:

1. **Services and business models**
2. **Reliability and continuous productivity**
3. **IT security**
4. **Machine safety**
5. **Product lifecycles**
6. **Industry value chain**
7. **Workers' education and skills**
8. **Socio-economic factors**

9. **Industry Demonstration:** To help industry understand the impact of Industry 4.0, Cincinnati Mayor John Cranley, signed a proclamation to state "Cincinnati to be Industry 4.0 Demonstration City".

10. A article published in February 2016 suggests that Industry 4.0 may have a beneficial effects for emerging economies such as India.

Table 2. Industry 4.0 key business objectives, organized

 BUSINESS OPERATIONS	Productivity improvements	<ul style="list-style-type: none"> • Maximizing asset utilization and minimizing downtime • Driving direct and indirect labor efficiency • Managing supply network costs and synchronization • Ensuring schedule and plan stability and accuracy
	Risk reduction	<ul style="list-style-type: none"> • Ensuring raw material price and availability • Managing warranty and recalls effectively • Mitigating geographic risks
 BUSINESS GROWTH	Incremental revenue	<ul style="list-style-type: none"> • Finding sources of growth for the core business • Growing aftermarket revenue streams • Deepening customer understanding and insights • Strengthening customer integration and channels
	New revenue	<ul style="list-style-type: none"> • Creating new products and service offerings • Expanding internationally and in emerging markets • Identifying attractive MSA opportunities

V. Addressing today's challenges

1. **Go beyond just data, generate insights** – Use data analytics to understand customers, market trends, track usage patterns, predict failures etc.
2. **Improve, standardize, and automate:** processes to reduce internal cost to serve
3. **Contract effectively** to get best value and manage risk in the changing digital landscape
4. **Embrace technology to support business** e.g. application of sensors, drones, machine learning, 3D printing etc.
5. **Develop right skills internally and explore partnerships** to meet new digital needs



VI. What can you do to prepare for the future?

Behind the great potential of the **digital supply chain**

(DSC) lies Industry 4.0, the fourth industrial revolution. A transformation in production and automation was brought on first by steam and water power (Industry 1.0), then by electrification (2.0), and more recently by the digital computer (3.0). Industry 4.0, digitization, is about companies orienting themselves to the customer through e-commerce, digital marketing, social media, and the customer experience.

Digital ubiquity is also causing companies to completely rethink how they go about operations. Operations is often mistakenly viewed as “manufacturing,” but operations is what gives a company its ability to act. As with every other aspect of a company, digital technology is enabling completely new operating models.

VII. Conclusion : In this work on Industry 4.0 two methodological approaches have been used to explore the impact on the procurement function. A scoping study was used to better understand Industry 4.0 while in-depth explorative interviews with seven

procurement managers should reveal insights from practice. Of course this study is limited with regards to the number of participants in the explorative survey. However, the conceptual findings and empirical insights support the conceptual differentiation of “Procurement 4.0” from previous maturity levels of technology use in procurement. The observations have been collected in form of six fundamental observations. Obviously, Procurement 4.0 must support superior Industry 4.0 strategies of the company. In this role it shall assure the dynamic cooperation across organizations borders and the achievement of a collaboration productivity rent, while safeguarding the companies risk exposure within the Industry 4.0 supply chain. However, research on the topic is still in its infancy, while practice signaled a high demand for explanative knowledge. More conceptual and empirical work is needed to better understand the effects of Industry 4.0 on procurement in detail. With these considerations in mind, this work is an initial exploration of the phenomenon and further observations need to be taken.



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NEGOTIATING WITH EI & EQ

NITIN ATHAVLE, EC MEMBER IIMM PUNE
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A mind tool — Enhancing supply chain

How to improve performance and productivity

We all supply chain professionals are busy in handling multiple activities in our offices and organization. During this we are experiencing one common thing of doing the same set of activities with little degree of variation on daily basis. The desired outcome is performance and productivity in nature. To make our performances and productivity more effective we need to adopt the skills mentioned as well try to improve the following skills.

Benefits of these skills

- 1) Seeking & upgrading the knowledge about the products and services & sharing the same with the channel partners.
- 2) Improves decision making ability resulting competitive edge and business wins during negotiations.
- 3) Boosts confidence to handle complex situations of supply chain like stoppage of production lines
- 4) Helps in self-assessment for improving upon.
- 5) Helps to add the talent pool and brightens the career growth in a organization

Let us understand the individual skills in detail.

- Creativity
 - People management: —
 - Coordinating with others: —
 - Emotional intelligence:—
 - Judgment and decision-making. ...
 - Service orientation. ...
 - Negotiation. ...
 - Cognitive flexibility.
 - Critical Thinking
 - Complex problem solving
- **Complex Problem Solving** — It is our mental preparedness to overcome those challenges which we never came across before. It is our responsiveness towards solving some very complex issues or as to how we react during a complex situation.
 - **Critical Thinking** — Here it is our mental ability as to how we make use of logic and our reasoning

towards a critical issue or problem. It also includes some process of considering the pros and consequences that might take place after our action.

- **Creativity** — It promotes you to be more productive. It benefits you in expressing yourself in different ways moving away from the conventional approach. It releases the stress, it promotes personal growth with positive approach & confidence. It is childlike behavior.
- **People management** — While performing in a group of people we need to take care of the following aspects—take care of the group, lead them, guide them, get work done from them, understand them, motivate them, learn from them and so on. Managing various behavioral aspects of different individuals and getting work done together is people management.
- **Coordinating with others**— Interacting within the group to plan certain actions, it is deciding the sequence of operations with identifying the individual responsibility.
- **Emotional Intelligence** — The act of adjusting our behavior or adjusting our internal feeling against the mood of the other person is Emotional Intelligence. It continues during interaction. It is also an act of making some decision that will achieve some positive results.
- **Judgment and decision-making** — Ability to understand and accordingly acting on deriving what is right and what is wrong. It is an activity of evaluating certain considerations to reach to some conclusion. It is just the choice between alternatives.
- **Service orientation** — It is an attempt to provide interface which enables the user to understand different segments, people, functions, organization before he actually performs in the field or on jobs. The focus in service is 1) Show positive attitude towards customer. 2) Promptly respond to the customer. 3) Be proactive in approach. .
- **Negotiations** — It is an act of convincing the terms to be obliged by the other party. Here one party express to the other party about the deliverables

and the expected consideration in turn. It is a skill. It comes out during a process of discussion and interaction. The approach shall always be Win-Win situation.

- **Cognitive flexibility** – It comes with Awareness, Confidence, and Adaptability. The activities are seeking out new experiences, practice of thinking creatively, not taking always the easy way, and transferring the learning.

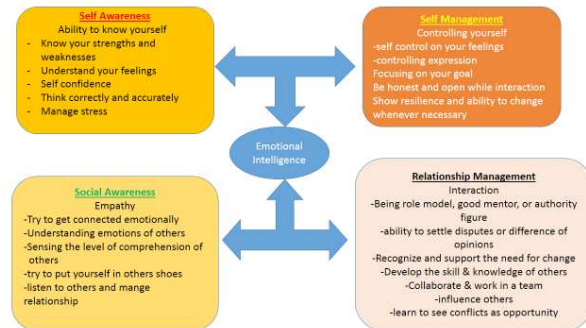
Emotional Intelligence EI

Out of the entire above let us understand in detail about the Emotional Intelligence and why it shall be considered as a skill set.

- It identifies emotions
- It understands emotions
- Uses emotions
- Controls emotions

Types of Emotional Intelligence

Emotional intelligence is just as important to professional success as technical ability, organizations are increasingly using it when they hire and promote. Let us study the various sets of EI



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WAREHOUSING & LOGISTICS SECTOR TO GROW AT 35% IN 2021: REPORT

SOBIA KHAN

The warehousing and logistics asset class could be among the fastest to recover from the coronavirus crisis, a report says, citing an expected increase in domestic demand and possibility of global firms shifting manufacturing to India to de-risk supply chains as reasons.

The Welspun One Logistics Parks (WOLP) report estimates that the warehousing and logistics industry will grow at 35% in 2021 compared with the earlier industry demand forecast of 25%.

“The transition of retail to online and larger inventory levels by ecommerce players will speed up the warehousing demand further. The resulting impact will be felt substantially in demand for inner-city logistics and cold chain facilities,” Welspun One Logistics Park managing director Anshul Singhal said, adding that the firm is in talks to raise capital to expand its business across the country.

The segment is also expected to attract a large pool of capital with fund managers looking at warehousing and industrial real estate as a safer, resilient and scalable asset class for their investors.

“There is significant amount of cash available to be invested in the warehousing and logistic space. The focus will be on long-term strategy, but in the short term, funds will be cautious to put in money,” said Aloke

Bhuniya, CEO of Ascendas Firstspace, a joint venture between CapitaLand and Firstspace Realty.

Occupiers are also expected to look at backup storage options in terms of large warehouses in tier 2 & 3 markets to further de-risk their supply chains, away from the tier 1 cities which have been highly affected.

“We are strategising and looking at newer markets like Gujarat and Kolkata to expand our business. There is a lot of uncertainty in the market due to Covid-19, but at the same time there are some large demands for warehousing floating in the market too,” said Aditya Virwani, COO, Embassy Group.

According to the report, unlike other real estate asset classes, the warehousing sector is fully prepared and mature to be able to scale and take advantage of the increase in demand due to policy initiatives like GST, infrastructure status and 100% FDI approvals.

The year 2019 also saw larger funds and developers evaluating regional developments having strong tenant profile with a combination of land and stabilised assets.

Global funds like Blackstone, ESR and Morgan Stanley are some of the firms that invested in a combination of platform or project level deal.

SOURCE : ET BUREAU

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CIRCULAR ECONOMY AND BUSINESS SCENARIO

HENAL SHAH

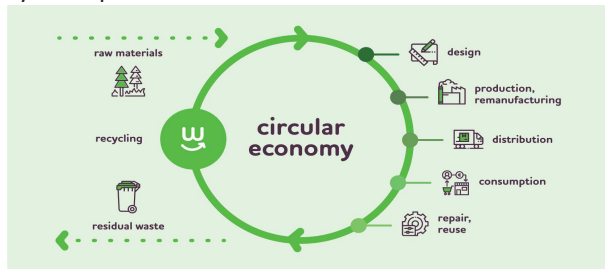
INSTRUMENTATION ENGINEER | SUPPLY CHAIN ENTHUSIAST

IIMM-AHMEDABAD BRANCH, henalshah31@gmail.com

The future of business is circular, and there's no room for waste in it. The new circular economy aims to bring circularity into heart of business leadership and practice.

But what is Circular Economy?

The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended.



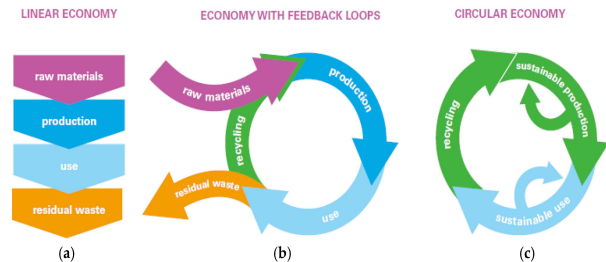
In practice, it implies reducing waste to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible. These can be productively used again and again, thereby creating further value.

Looking beyond the current take-make-waste extractive industrial model, a circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources, and designing waste out of the system. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural, and social capital. It is based on three principles:

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems

Let's see the concept of a circular economy.

- In a circular economy, economic activity builds and rebuilds overall system health. The concept recognises the importance of the economy needing to work effectively at all scales – for large and small businesses, for organisations and individuals, globally and locally.
- Transitioning to a circular economy does not only amount to adjustments aimed at reducing the negative impacts of the linear economy. Rather, it represents a systemic shift that builds long-term resilience, generates business and economic opportunities, and provides environmental and societal benefits.



Technical and biological cycles

- The model distinguishes between technical and biological cycles.
- Consumption happens only in biological cycles, where food and biologically-based materials (such as cotton or wood) are designed to feed back into the system through processes like composting and anaerobic digestion. These cycles regenerate living systems, such as soil, which provide renewable resources for the economy.
- Technical cycles recover and restore products, components, and materials through strategies like reuse, repair, remanufacture or (in the last resort) recycling.

Origins of the circular economy concept

The notion of circularity has deep historical and philosophical origins. The idea of feedback, of cycles in real-world systems, is ancient and has echoes in various schools of philosophy. It enjoyed a revival in industrialised countries after World War II when the advent of computer-based studies of non-linear systems unambiguously revealed the complex, interrelated, and therefore unpredictable nature of the world we live in – more akin to a metabolism than a machine.

Such an economy is based on a few simple principles.

1. At its core, a circular economy aims to design out waste. Waste does not exist: products are designed and optimized for a cycle of disassembly and reuse. These tight component and product cycles define the circular economy and set it apart from disposal and even recycling, where large amounts of embedded energy and labour are lost.
2. Circularity introduces a strict differentiation between consumable and durable components of a product.
 - i. Unlike today, consumables in the circular economy are largely made of biological ingredients or 'nutrients' that are at least non-toxic and possibly even beneficial, and can safely be returned to the

biosphere, either directly or in a cascade of consecutive uses.

- ii. Durables such as engines or computers, on the other hand, are made of technical nutrients unsuitable for the biosphere, such as metals and most plastics. These are designed from the start for reuse, and products subject to rapid technological advance are designed for upgrade.
3. The energy required to fuel this cycle should be renewable by nature, again to decrease resource dependence and increase systems resilience (to oil shocks, for example).

Let's see, why do we need to switch to a circular economy?

The world's population is growing and with it the demand for raw materials. However, the supply of crucial raw materials is limited. We need to transform systems across the global economy to ensure that in 2050 more than nine billion people can live well within the limits of our planet. We must see raised ambition across businesses and governments to scale up climate action towards a carbon neutral economy. The urgency is clear: business, government and civil society must go further, faster to avoid detrimental impacts to people and planet.

How to switch?

What was previously viewed as waste now has value. However, those ecosystems are complex and include many interdependencies and feedback loops. Digital technology has the potential to provide visibility and enable improved decision making when it comes to raw materials and services. Already, 35% of companies

believe that digital technology will be a key enabler for their circular economy strategies, but very few are leveraging the technology for this purpose yet."

2020 is the "super year" for climate and many more sustainability-related ambitions including food, nature and the SDGs in general. It will be a defining year if we want to save our planet.

Let's see the benefits out of Circular Economy.

Moving towards a more circular economy could deliver benefits such as reducing pressure on the environment, improving the security of the supply of raw materials, increasing competitiveness, stimulating innovation, boosting economic growth, creating jobs. Businesses will be capable to capture more value from their materials and resources and also build loyalty with their customer base.

Consumers will also be provided with more durable and innovative products that will increase the quality of life and save them money in the long term. Circular business advantage offers a pathway for both large and small organisations to identify, capture and retain additional revenues or reduce costs while meeting customer demands in new ways. This can lead to relative decoupling of resource use and through lowered costs of access and ownership which benefits economic growth.

Using the tools of a circular economy offers all organisations a lasting advantage by combining more productive ways of doing things, while engaging in more system wide activity: 'feeding the forest' and not just 'doing less harm'.

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CORONA VIRUS: CAN INDIA REPLACE CHINA AS WORLD'S FACTORY?

NIKHIL INAMDAR

With Covid-19 infecting millions across the world, China is facing an unprecedented global backlash that could destabilise its reign as the world's factory of choice. Its neighbour India has sensed an opportunity and is keen to make inroads to a space it hopes China will vacate sooner rather than later.

China's weakened global position is a "blessing in disguise" for India to attract more investment, transport minister Nitin Gadkari said in a recent interview. The northern state of Uttar Pradesh, which has a population the size of Brazil, is already forming an economic task force to attract firms keen to ditch China.

India is also readying a pool of land twice the size of Luxembourg to offer companies that want to move manufacturing out of China, and has reached out to 1,000 American multinationals, Bloomberg reported.

"This outreach has been an ongoing process," Deepak Bagla, chief executive of Invest India, the government's national investment promotion agency told the BBC.

"Covid will only accelerate the process of de-risking from China for many of these companies."

The US-India Business Council (USIBC), a powerful lobby group that works to enhance investment flows between India and the US, also said that India has significantly stepped up its pitch.

"We are seeing India prioritise efforts to attract supply chains, both at central and state government level," Nisha Biswal, President of USIBC and the former assistant secretary of state for south and central Asian affairs in the US Department of State, told the BBC. Indian government agencies are trying to woo multinationals from the US. She added: "Companies that already have some manufacturing in India may be earlier movers in reducing output in plants in China and scaling up in production in India."

But things are still at an evaluation stage and decisions are unlikely to be made in a hurry, she added.

In an environment where global balance sheets are fractured, relocating entire supply chains is easier said than done.

“Many of these companies are facing severe cash and capital constraints because of the pandemic, and will therefore be very cautious before making quick moves,” independent economist Rupa Subramanya said.

According to Rahul Jacob, a long-time China watcher and former Financial Times bureau chief in Hong Kong, the Indian government putting together land banks is a step in the right direction, but large companies are unlikely to move their operations just because land is made available.

“Production lines and supply chains are far more sticky than most people seem to understand. It is very difficult to pull them apart overnight,” he said.

“China offers integrated infrastructure like large ports and highways, top quality labour and sophisticated logistics, all of which are critical factors to meet strict deadlines that international companies operate on.” Can India match China’s integrated infrastructure capabilities?

Another reason India might not be the obvious choice for global multinationals is because it isn’t well integrated with major global supply chains.

Last year Delhi pulled out of a crucial multilateral trade agreement with 12 other Asian countries, collectively known as the Regional Comprehensive Economic Partnership (RCEP), despite seven years of negotiations. Decisions like these make it difficult for Indian exporters to benefit from tariff-free access to destination markets or offer reciprocity to its trading partners.

“Why would I make something that I want to sell to Singapore in India? Being connected in trade agreements institutionally is as important as offering competitive prices,” Parag Khanna, author of *The Future is Asian*, told the BBC.

Regional integration is particularly crucial he believes, as global trade begins to follow the “sell where you make” model where companies so-called “near-source” rather than out-source production and bring it closer to demand.

India’s volatile relationship with foreign direct investment (FDI) and uneven regulation is also something that continues to bother global companies.

From prohibiting e-commerce companies to sell non-essential items and tweaking FDI rules to disallow easier capital flows from neighbouring countries, the fear is that India has used the pandemic to build protectionist walls around itself.

In a recent address to the nation, Indian Prime Minister Narendra Modi made “be vocal for local” his rallying cry. New stimulus proposals meanwhile have increased thresholds for foreign companies bidding for Indian contracts.

“The more that India can improve regulatory stability, the better its chances of persuading more global businesses to establish hubs in India,” says Mr Biswal.

So then who, If not India?

As things stand, Vietnam, Bangladesh, South Korea and Taiwan seem to be favourites to benefit from the backlash against China. The latter two at the “high-tech end of the spectrum” and Vietnam and Bangladesh at the lower end, according to Mr Jacob.

Multi-nationals began moving production out of China into these countries nearly a decade ago due to rising labour and environmental costs. The slow exodus has only gathered pace as US-China trade tensions have increased in recent years.

Since June 2018, a month before the trade war began, US goods imports from Vietnam have soared by more than 50% and those from Taiwan by 30%, according to calculations made by the South China Morning Post newspaper.

India is seen to have lost out because it failed to create conditions allowing multi-nationals to supply not only the local market, but also to use the country as a production base to export to the world.

In recent weeks, several states have begun making moves to address some concerns around the ease of doing business - prime among them being making contentious changes to India’s archaic labour laws, put in place to reduce exploitation.

Uttar Pradesh and Madhya Pradesh states, for instance, have suspended significant labour protections exempting factories from even maintaining basic requirements like cleanliness, ventilation, lighting and toilets.

The intention is to improve the investment climate and attract global capital.

But such decisions could become counterproductive and hurt rather than help, says Mr Jacob: “International companies would be very wary about this. They have strict codes of conduct on labour, environment and safety standards for suppliers.”

The 2013 collapse of the Rana Plaza garment factory in Bangladesh that supplied retailers like Walmart was a turning point. It forced Bangladesh to significantly improve factory infrastructure and safety to clinch more investment, he cautions.

“India has to follow better standards. These are white board ideas drafted on Powerpoint by bureaucrats who are completely divorced from the reality of global trade.”

But with the US weighing punitive action against China, Japan paying its corporations to move out of the country and UK lawmakers coming under pressure to reconsider their decision to allow Chinese telecoms giant Huawei a role in building the country’s new 5G data network, global anti-China sentiment is increasing.

The time is ripe, say experts, for India to undertake broad-based structural reforms and use these sweeping geopolitical shifts to modify its trading relationship with the world.

Source : www.bbc.com

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THE BUSINESS PLAN FOR MAKE IN INDIA 2.0

GOUTAM DAS

- The govt seeks to push domestic manufacturers up the value chain. But that needs a lot of work on the ground
- Besides consistency in policy, the success of the strategy would need relief from what the industry calls 'disabilities' from poor infrastructure and inefficient logistics

The sales head of an Indian consumer products company got cracking, a day after Prime Minister Narendra Modi advocated that India become self-reliant and become "vocal for their local". He circulated a survey with two questions among his contacts on LinkedIn.

"When buying a new product, what would be your preferred choice?"

- a) Economically priced Made-in-China product.
- b) Competitively priced Made-in-India product."

Jessie Paul, founder and CEO of Paul Writer, a marketing services firm, saw the questionnaire. "I think it was to gauge market sentiment. But both the questions don't make sense," she told Mint. Why is that? A consumer will vouch for the brand, not its place of origin, she explained. "I will buy it irrespective of where it is made because I trust the brand."

On the other end of the spectrum are domestic manufacturers like Sunil Vachani, chairman and managing director of Dixon Technologies (India) Ltd, a contract manufacturer. "Vocal about local is the first step in hardware," he said, adding "What Y2K was for Indian software companies, post-covid would be for the hardware industry. It has made us realize that we have to be self-reliant." Indian software companies made a killing debugging Y2K, called the millennium bug, from computer systems worldwide.

Multinationals and their advisers, meanwhile, are grappling to understand the ideological underpinnings of the term "self-reliance". There are several doubts. Is self-reliance a swadeshi movement that would eventually lead to a boycott of foreign-owned brands? Or is it just about targeting Chinese products? After all, Rashtriya Swayamsevak Sangh-backed Swadeshi Jagran Manch has been campaigning against dumping from China.

Or could it be just a repackaging of Make in India, a campaign that launched in September of 2014 with an aim to make India a global design and manufacturing hub? Some feel an era of import substitution could well and truly kick in—this government has increased duties over the past four years in order to give protection to domestic industry. What then would be the chances of India slipping into some form of economic isolation that resembles the pre-1991 era?

Baijayant "Jay" Panda, national vice-president of the Bharatiya Janata Party (BJP), stressed that self-reliance is definitely not a return to that era. "In the decades of the 1950s through the 1990s, we were on the wrong

side of globalization. Now, we should not be again on the wrong side of the curve when the world is looking at a different model. In the last several years, the world seems to be moving away from the unfettered globalism of the previous several decades," he said.

He went on to add: "We are going to be part of the global trading mechanism with the level of openness global economies have today as opposed to what they had 10 years ago. And we would take advantage of the opportunities by helping our players get a leg-up."

The winners of the post-covid industrial strategy, therefore, could be Indian manufacturers. Even small ones—at least on paper.

Make 2.0 : Finance minister Nirmala Sitharaman fired the first salvo on 13 May. "Indian MSMEs and other companies have often faced unfair competition from foreign countries," she said during a televised address. "Therefore, global tenders will be disallowed in government procurement up to ₹ 200 crore (about \$25-26 million)."

While this seems a significant move, the reality is a bit more complicated.

With the \$26-million cap, global companies cannot bid for many government contracts, many of which are in the range of \$10-20 million. Many companies will lose 80% of their government contracts, said an executive from a multinational manufacturer in India who did not want to be identified. "However, I doubt if the smaller Indian companies can benefit—the capabilities, skill sets, funding of the MSMEs are not the best," he added, suggesting that government departments could be short changed with poor supplies.

Moreover, there appears to be no consistency in policy. Many government contracts also have criteria that favour large firms—in telecom, for instance. While small firms are ostensibly going to benefit, the long-term stability of this policy shift remains to be tested. As things stand, the new version of Make in India seeks to protect domestic manufacturers and push them up the value chain.

Since Make in India's first version launched in 2014, India has primarily become an assembly hub in industries such as mobile phones, lighting and consumer electronics. In other words, manufacturers assembled products from imported electronic components to meet domestic demand. Assembly created jobs. Nonetheless, the domestic value addition continued to be low at under 30%.

Make in India 2.0 is likely to press the accelerator on vertical integration, where the component supply-chains are coerced to be local because of import substitution. "Yes, there will be a lot of import substitution going ahead, but the second step is localizing the supply chain because a high level of components is still imported," said Sunil Vachani of Dixon.

Nevertheless, import substitution does not mean the government is giving up on export dreams either. The idea is to help domestic companies get to scale, first. "Till such time you build that scale, you are not going to be competitive. So it is about protecting from imports till you reach scale," said R. Jagannathan, editorial director of Swarajya. How easy will it be to be protectionist on one hand and achieve export competitiveness on the other side? Well, both can be theoretically achieved in certain sectors.

Amit Khandelwal, director of the Jerome A. Chazen Institute for Global Business at Columbia Business School, said that the economic rationale behind import substitution is to generate learning and economies of scale within a country. "Both of those forces could lead to efficiency gains that make your exports competitive in global markets. However, the history of import substitution working is very mixed (and for India, it fared poorly). It can work in specific sectors, but I would say the guidance on which sectors it could work is not particularly well understood," he said.

Besides domestic scale, export competitiveness in the Indian context would mean offsetting what the industry calls "disabilities". Poor infrastructure and inefficient logistics lead to higher costs, for instance. According to United Nations Conference on Trade and Development (UNCTAD), in 2018, the median time spent by a container ship during one port call in China was 0.62 days versus 0.93 days in India. Besides logistics, disabilities in India include higher cost of finance, lack of quality power and limited design capabilities. According to industry bodies, India's electronics manufacturing sector runs a disability of up to 11% versus competing nations.

China and more : Invest India, the national investment promotion and facilitation agency, has a busy website replete with gamified data, state and sectoral analysis, case studies, news and many reports. One of its latest, Great Places For Manufacturing In India, is a handbook crafted along with real estate services firm JLL India.

A section focuses on "Covid-19 & opportunities post-pandemic", marketing India as one of the most viable locations for business continuity planning for multinationals re-thinking their supply-chains. "India, on account of its large domestic market and low-cost production base is well-positioned to host new investments in a range of sectors," the report stated. One of the carrots is the country's "very large domestic market—as big as 18% of the world population along with prospects of a manufacturing export hub to the rest of 82%".

In fact, nearly all conversations with industrialists and industry bodies have an element of the "China opportunity". The new Make in India rides on hope. "We see an opportunity in the crisis," Chandrajit Banerjee, director general of Confederation of Indian Industry (CII), said. "We are seeing some changes in the labour laws already. Contractual sanctity would be very important for global companies. Besides, we need certainty in reforms. This is the right time for India to take those steps to attract global capital," he added. The focus obviously is on sectors that can provide plenty of jobs. "Textiles is one industry where we should be able to make for ourselves and the world. The other sectors to focus must be leather and the footwear (because it involves small companies), furniture, agricultural/ marine products and electronics (India runs up a huge import bill here)," he added.

Apart from these, the Invest India-JLL report stated that India is well-positioned to host new investments in pharmaceuticals, medical devices, automobiles, capital goods, electrical machinery, chemicals and petrochemicals, plastic products, and telecom equipment among others.

Different strokes : Close to the historic ruins of the Vijayanagar empire in Karnataka's Hampi, Krishna Prasad Chigurupati and his wife Uma owns a vineyard that produces Chardonnay, Sauvignon Blanc, and Cabernet Sauvignon, among other wines. "Profit-wise, in wine making, we are always in the red," said Chigurupati, who is also the chairman and managing director of pharma company Granules India Ltd.

The pharma industry saw red last year when China suddenly increased the prices of pharmaceutical intermediates by 30-40%. Intermediates are key starting materials that go into the manufacturing of active pharmaceutical ingredients or APIs. "India used to make everything from scratch. Then, our pollution norms started getting tougher and we found it easier to buy from China around 1985-90s," Chigurupati said. Intermediates are chemical products and their production pollutes the environment. "Now, the pollution norms in China have become tougher, which is why prices shot up," he added.

Self-reliance in pharmaceuticals, in vogue because of covid-19, would imply India restart intermediates production. How feasible would that be? "If I get a premium of 5-10% on the API price, I can do it in India. If customers don't pay that premium, the only way to manufacture would be for the government to subsidize the project cost—up to 25%," Chigurupati said. Every industry, similarly, needs a different playbook to achieve vertical integration or self-reliance.

For instance, Kulin Lalbhai, the executive director of apparel maker Arvind Ltd, said that there is an opportunity to repeat the success story around personal protective equipment (PPEs) in other segments of the textiles industry. As the epidemic hit, the textiles industry partnered with the government. Factories that made jeans, suits and shirts were repurposed with new machinery. India now produces 400,000 PPEs a day.

PPE is a sub-set of technical textiles— India imports a chunk of technical textiles, worth nearly \$16 billion a year. While India has done well in fabrics and home textiles, there are pockets where it has little scale. Lalbhai sees an opportunity to become globally competitive in both technical textiles and man-made fibres.

The playbook in textiles can't be simply subsidies. The government has got to work on preferential access, given the covid-19 fallout. "Global trade may have different alignments in time to come. Beyond India being ready from a supply-side, it would help if we take advantage of these alignments. If there are trade agreements with the western world, it can lead to a step change in Indian exports," Lalbhai said. The three large markets for textiles are the US, UK and EU, where competing countries such as Bangladesh and Vietnam have preferential access. A level playing field globally next needs to be supplemented with good infrastructure assets. "Then it becomes a powerful cycle," he added.

Source : www.livemint.com

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AFTER COVID19 ERA, PREPAREDNESS BY SCM MANAGERS TO ALIGN WITH REGULAR SCM ROAD MAP.- A REVIEW/ AN ANSWER/ AND JUMP START-ARTIFICIAL INTELLIGENCE (AI), TAKING OVER THE FREIGHT/LOGISTICS MANAGEMENT.

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INTRODUCTION : As known, today, there are number of diversions/deviations/ thoughts to overcome sufferings experienced, to fall in line with required supply chain considering recent “coming ups” like – “jump start” to achieve- from Survival to Revival, Turning the crisis now to opportunity, Unlocking Economic Power, Getting back to Business, Business after Corona Era, - all these through the processes of 4 R's: “Reboot, Reform, Revise, Rise., and by implementing SCM technologies.

Every SCM manager knows that the first step in terms of preparedness, the activity comes is “Demand assessment followed by Forecasting the needs/ requirements etc. However, the same SCM manger would says after critical review, that, first one need to see Freight/ Logistics management as on date. Hence, it is pertinent to deal the aspect of Freight/Logistics by going with new technologies specially Artificial Intelligence (AI).

Artificial intelligence is taking over all aspects of the supply chains. So, What will be the future of Freight when AI takes over? The basic answer, that comes out is that there will be major shift in Freight/ Logistics. Here, if the concerned looks back, they will see / already seen the revolutionary power of the internet of things (IoT) followed by taking in fold by many the full advantage of Blockchain, for better transparency, privacy, and efficiency. All these will make all to realize that some thing new is on the way. One is entering AI (artificial intelligence) and machine learning promising high potential for advancements in freight/Logistics.

As some says, AI is not Science fiction and our approach shall lead to correct ways to implement AI to the freight industry now, since SCM can get multifold benefits from AI systems in many ways and not limited to Chatbots (computer program that basically simulates human conversations – allowing interaction between human and a machine – the communication), Smart Warehousing, better ways of Forecasting and Data harnessing. Hence in following paras , a closer review / look is given

in nutshell on the following aspects –

- i) Forecast and predictive analysis,
- ii) Freight, AI and Smart Warehousing,
- iii) Autonomous Vehicles
- iv) Chatbots

FORECAST AND PREDICTIVE ANALYSIS : Artificial intelligence will easily identify the most subtle patterns ie :

- from when your buyers will be ready to make their next purchases,
- to when your trucks will need specific kinds of maintenance,
- to which transportation method and route is the fastest or the most cost-effective,
- to how the weather is likely to affect and how you ship

As we all know, the logistics sector deals with myriad factors that can all have major impacts on your bottom line.

Since, AI's hyper-efficient, real-time data harnessing is now available, one has the opportunity to track- your “how, where, and when” with unprecedented details, helping to predict problems before they arrive, and to make more minute adjustments to keep things running smoothly. One example ie the cost of shipping certain loads will surely vary throughout the year. AI will continuously monitor these rates by keeping track of all other interdependent variables, to bring remarkably accurate price forecasting beside achieving the inventory in a efficient way.

FREIGHT, AI, AND SMART WAREHOUSING : As aware, every Logistics team leader to be like a chess player since to managing them all. This is more true in warehousing since one has to track volumes, coordinate incoming and outgoing shipments, and meticulously manage space and workflow.

The future is even brighter when it comes to AI's

potential in warehousing, ie robots working 24/7 shifts intelligently - assembling, packaging, sorting, loading, and shipping goods faster and with less errors. These are all actually and already happening all over the Globe. Further, Warehousing drones have proven themselves to be an amazing tool in warehouse management.

With drones monitoring the warehouse, one's operation could be almost completely automated by receiving constant, real-time digital updates to make sure that everything is going according to plan. Due to all these, one is able to prevent , wastage of time, wastage of valuable resources.

Gone are the days of waiting for an employee to tell management that something crucial , last its track and losing money because of that.

Timing is key in all aspects of business, but in the world of logistics and freight—which are the backbone of the entire economy, it is of paramount importance. When logistics and freight fail, so does everything else, hence it is more important to SCM not to fail.

AUTONOMOUS VEHICLES : Autonomous vehicles are therefore identified as the pinnacle achievement of AI in the field of Logistics— which, all our Logistics managers are yet to recognize in full. Engineers are trying to make / already made driverless vehicles .

This is a difficult task, however we've already seen some amazing strides. Industry experts have teamed up to create efficient delivery trucks with automated AI based control panels, that will be aware of their surroundings enabling those vehicles to monitor traffic conditions and more so, to differentiates pedestrians from other vehicles and objects.

But we are also seeing research projects/ innovative models to carry on the transport even with high capacity Flying Drones etc., becoming KEY to an entirely new kind of future—and we're getting closer to a world full of such inventions every day.

One should know here, that the capabilities of an AV determine its Operational Design Domain (ODD), which defines the conditions the conditions under which a vehicle is designed to function to perform safely.

The ODD includes – Environmental, Geographical, and Time- of- Day restrictions, besides traffic or roadway characteristics.

CHATBOTS (an AI powered application designed to simulate a communication) : Chatbots are useful tools when it comes to streamlining processes and solving everyday menial tasks/ conditions. The question is, how to use chatbots in the world of logistics? - They can conduct basic conversations with suppliers, submit requests, and even fill out necessary documentation They are just a very active small addition to team.

CONCLUSION : SCM managers shall have a positive look at coming days for staying cutting edge, and to incorporate AI, to update their Freight and Logistic management, leading to trouble free operations after

COVID19 Era, to achieve a jump start , considering 4 R's enumerated above, and to keep ahead of the competition, through a healthy business Eco System.

(Ref: Networking data & discussions /Internet references/ out of the box Research guidance.)

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COMMODITY INDEX

Commodities	Days's Index	Prev. Index	Week Ago	Month Ago
Index	2792.3	2792.2	2782.9	2751.7
Bullion	5225.2	5225.2	5225.2	5225.2
Cement	2563.8	2563.8	2431.1	2431.1
Chemicals	1827.9	1827.9	1827.9	2059.3
Edible Oil	1880.5	1880.5	1875.9	1870.8
Foodgrains	2531.4	2529.9	2550.4	2563.9
Fuel	2642.3	2642.3	2642.3	2512.0
Indl Metals	1918.8	1918.8	1918.8	1918.8
Other Agricom	2324.8	2324.8	2324.1	2282.5
Plastics	1688.8	1688.8	1688.8	1688.8

Source: ETIG Database dated 29th May, 2020



SUPPLY CHAIN MANAGEMENT & CRISIS MANAGEMENT DURING LOCKDOWN

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SCM & Crisis Management During Lockdown

When Prime Minister of India takes the name of SCM in his address on number of times and when the entire World is fighting against the pandemic, role of facilitators become more important and responsible. Planning, organizing, coordinating, executing the set goals are the major objectives, be it routine, emergency, extra ordinary situation including disaster, pandemic or even lockdown. Let's discuss about few heart touching points, where every Indian has a feel of situations during Lockdown:-

1. Depending upon strength and weaknesses, many countries preferred closure of their activities in order to control spread of Corona in their territory.
2. India started with Janta Curfew followed by imposing a complete Lockdown throughout the country.
3. Lockdown means a complete halt making everything motionless be it man or material, except exceptions.
4. Exception means people working on for survival of none other than the country itself.
5. The country has to survive, run and move on by ensuring that:-
 - I) The boundaries are well guarded and protected against any truce. We are witnessing that the country which was once a good friend becomes foe the next day and this might be due to its own thought process or under some sort of influence of any country.
 - II) Influence of external factors on internal issues.
 - III) Usage of such panic situations to have political gain and trying to use them as vote bank—> This being totally unethical, must be rejected by a common man.

- IV) The human resource of migrants could not be convinced by the local administration, resulting thereby forced movement to their home town/ village.
- V) The trauma being faced by those migratory workers may be largely due to communication gap between the various facilitation agencies. This does not require any explanation or debate because sun rises from the east is a fact.
- VI) Although there have been number of unforgettable cases, even then Society and public in general and the Government of India/ State in particular have volunteered to come forward to their rescue. We do repent what has gone wrong should not have happened resulting in avoidable casualties.

Steps taken to manage the crisis of Covid 19

- 1) Declaration of the dreaded disease as Pandemic by World Health Organization.
- 2) Declaration of Disaster Management Act by Government of India for whole of the country to ensure effective control on Corona and its spreading.
- 3) Imposing curfew for common man and truly implemented by common man.
- 4) Showing the sign of unity by the way of clapping, drumming, belling, blowing of shell (SHANKH) etc. on a call by our beloved Prime Minister.
- 5) Launch and big success of AROGYA SETU app.
- 6) Declaration of complete Lockdown and putting air, rail, and road services to a complete halt.
- 7) Transfer of Non Resident Indians from foreign countries including Wuhan city of China, the origin of dreaded Corona.
- 8) Facilitating State Road Transport Corporation buses for safe transfer of Nation builders i.e., young bloods of migrants, who went for

coaching/higher education etc, to their parent states.

- 9) Operation of Shramik Special Trains from various cosmopolitan, metro cities including industrial hubs.
- 10) Thermal screening of all non stationary human beings and sanitization of areas prone to infection.
- 11) Awareness programs about safety points aired by the Government on regular basis. Here the contribution of media, celebrities, NGOs and locals like Civil Defence etc is well appreciated.
- 12) Division of entire local area in various zones like Containment Zone, Red Zone, Orange Zone, Green Zone etc.
- 13) Hindustan Latex Limited, a Central Govt. nodal agency, besides state run Medical Supply Corporations were given the responsibility of procuring Ventilators, PPE kits, Three layer masks etc to manage Covid 19.
- 14) Premier Medical Institutions, IITs, IIMs and other private sectors took up the responsibility of bringing teaching, training and research in facilitating the Supply Chain Management.
- 15) Use of Artificial Intelligence (AI) has reached a milestone. Online activities, E-meetings, webinars etc proved equally good with threats converting into opportunities.
- 16) Usage of Zoom, Whatsapp, Google Meet, Webex etc has become a necessity of the day.

Expected to be delivered:

Now let us try to have a meaning of these Hindi common terminologies, Niti, Niyam and Niyat:

NITI (Policy): The policy is decided by the Sarkar (Government).

NIYAM (Rules n Regulations): Once the policy is approved by the Government in principle then the Act, Rules n Regulations are framed by the Naukar Shahi (Bureaucrats) with a detailed blue print in order to achieve the set goal/ objective of the Government.

NIYAT (Intention of the Executives): After giving a final touch to the Policies and Rules, role of Executives come to test AND this decides fate of above two Niti and Niyam. The implementation is at the sight, where as other two are done at off site and this may lead to communication gap as well with end result of possible deviation. Remember one of our Prime Ministers shared that just 17% of total grant reaches to the entitled and rest goes to grease the palms of

officials involved in the chain.

The author does not intend to malign any individual, group or society rather focuses on bringing transparency in time bound manner, because of the concept of justice delayed means justice denied. This pandemic has forced us to think, think and keep on thinking. During discussion with medical fraternity as a key player of SCM, we even explored the possibility of wearing Raincoats and Helmets incase not able to get proper covers of surgical consumables. Another case of catering the need of inner layer of three layer mask to filter to desired level of microns to manage Covid 19 was exploring the possibilities of sheets used in air conditioning Hepa filters. What Management teaches us is that to excel with what is available with innovative ideas and never forget to think out of box also and this again forces us to think, think and keep on thinking.

Depending upon situation and circumstances the level of delivery both in quantity and quality terms will differ on case to case basis. Media would rope in to compliment or comment the Government for decisions declared and implemented, may be with their own hidden agenda of Television Rating Point (TRP). Half filled glass of water may be interpreted by someone as half filled and half empty, then by someone as half empty and half filled. There could be another possibility that glass is filled completely i.e. half with water and remaining with air. Nazar and Nazaria are two terminologies of Hindi again to clarify that Nazar means what your eye sees, where as Nazaria is what your mind intends to see.

The directives of Hon'ble Supreme Court to provide free transportation, food, water and basic amenities to the people moving to their roots and skill mapping of migrants to ensure their absorption according to their skill are such important points that prove good intention of apex bodies. The current news of issuance of MNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) cards to migrants and proposal to engage skill mapped workers according to their skill by KVT (Kashi Vishwanath Temple), Varanasi, a dream project of Prime Minister of India are few examples to vouch that India is moving in right directions.

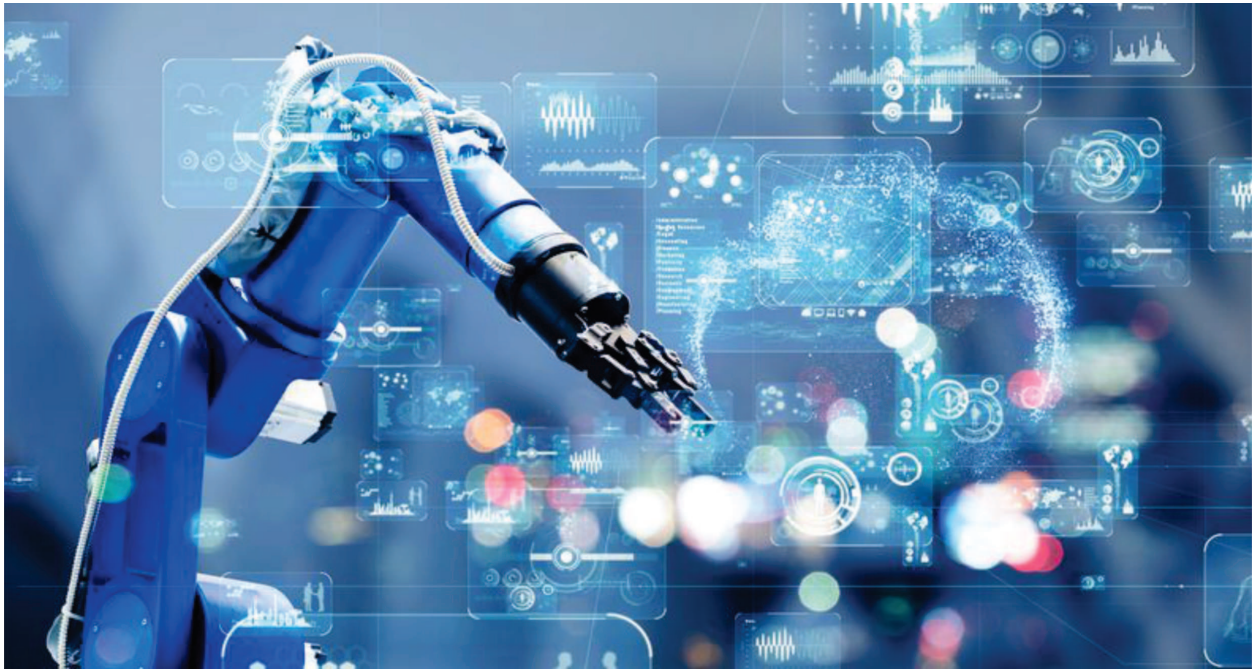
At last, but not the least "HOW IS THE JOSH? HIGH SIR!" So let us move on keeping the learnings of past and goals of future in mind because it is the present where delivery is the need of hour and the area where supply chain managers should focus to excel.

JAI HIND



WILL COVID-19 ACCELERATE ROBOTICS IN THE SUPPLY CHAIN?

LAUREN HORWITZ



CCOVID-19, and resulting worker health-and-safety requirements, have spurred interest in robotics in the supply chain.

Key takeaways from this article:

- COVID-19 has accelerated the need for automation technologies that prevent transmission of the virus.
- As companies consider robotics, they need to determine whether their objective is operational efficiency or strategic innovation.
- Some companies without the capital may delve into robotics as a service.

As the supply chain and manufacturing waded through the COVID-19 crisis, companies have renewed their embrace of robotics — if with circumspection.

Prior to the advent of COVID-19, manufacturing suffered from tight labor markets and eyed robotics and automation to bolster efficiency and reduce costs. According to the MHI report on the supply chain in 2020, the adoption rate for robotics and automation increased more than any other supply chain technology between 2019 and 2020. Adoption clocked in at 32%

and 39% adoption, respectively.

Even with COVID-19 and its associated budget constraints in many sectors, the industry continues to view robotics as a key long-term investment. According to an IDC 2020 supply chain survey, 73% of respondents say that robotics will be important or very important to their organization in the next three years.

Today, robots in the workforce are proficient at specific, repeatable tasks for which they are precisely programmed. So, a warehouse-trained robot may bring a cart from aisle to aisle where human workers pick items, thereby reducing the time needed to locate assets.

“[Robots] can pull heavy carts and be used where there is a lot of wasted walking for workers,” said Guy Courtin, director of partners and alliances at 6 River Systems.

Other uses of robotics in manufacturing, for example, may be highly targeted yet simple to program. One company uses robotics to complete complex sanding patterns on contoured surfaces using a point-and-click interface, resulting in substantial operational efficiencies.

"They have reduced a multiday programming operation down to a 20-minute task," said Joe Campbell, Universal Robots' senior manager of strategic marketing and applications, in an article on robots in manufacturing.

COVID-19, E-Commerce Accelerants for Robotics

With the emergence of COVID-19, other factors are driving the use of robotics in the supply chain: the need to minimize transmission of the virus.

Increasingly, even enterprises that previously eschewed robotics have considered automation.

"Since COVID, we have seen an uptick in companies coming back to robotics," Courtin said. "It helps in a time of reduced labor and enables labor to stay 6 feet apart in warehouses. [We] have had HR staffs that previously blocked it tell us they want to bring automation in."

Another driver has been the shift in consumer demand toward e-commerce. With stay-at home orders persistent throughout March and April, e-commerce orders spiked. It increased 49% in April, according to Adobe's Digital Economy Index, given shuttered brick-and-mortar stores. As some note, the surge has prompted physical distancing requirements in addition to the efficiency needs.

"The need for flexible automation is about having [fewer] people in the warehouse but still fulfilling the demand of the customer," said John Santagate, vice president at Körber Supply Chain. "That has become all the more critical as e-commerce has increased in its demand." Robots can help fulfillment centers optimize worker productivity and address this uptick in orders.

As-a-Service Model Drives Robotics Adoption

But robotics can be costly, particularly for enterprises with minimal in-house expertise. Larger companies are far more likely to enlist robotics. "Among companies with revenues exceeding \$1 billion, 90% have already implemented advanced robotics applications," indicates a report on advanced robotics. "But the share of implementers among companies with revenues of less than \$250 million is significantly lower. Small businesses' lower level of adoption probably reflects budgetary constraints with respect to testing applications and gaining access to robotics-related expertise."

"Robots as a service keeps you away from having to have that capital expenditure, and you reduce that implementation time from months to in some cases weeks," said Randy Bradley, associate professor of information systems and supply chain management at the University of Tennessee.

For smaller players, robotics as a service may allow them to compete with larger players, particularly given the currently erratic supply chain.

"Previously, these smaller players were sitting on the sidelines admiring the conversations — they just didn't have the capital to do anything," Bradley said. Furthermore, he said, the robotics-as-a-service model requires less ramp-up time to train robots.

"Many robots as a service rely on lasers or sonar, so you don't have to retrofit a facility or spend time training them to use them," Bradley said.

Robotics Augmenting or Displacing Human Work?

There is, of course, ample debate about the impact on the workforce as robotics permeates sectors such as manufacturing.

According to an Oxford Economics study, automation is projected to displace some 20 million manufacturing jobs by 2030. A McKinsey study indicates that this displacement is not confined to manufacturing and that some 60% of all jobs may have 30% of their tasks subsumed by robots. The data also shows that only 5% of jobs will become fully automated.

But robotics proponents say that the issue is far less about displacing human work and more about augmenting it.

"A robot is not replacing everything workers do," Santagate said. "Human workers don't lose value, but they are changing what they do. You wouldn't build a house today with a hammer. You use a nail gun and power tool — a tool that allows workers to work faster, better, more efficiently. That's what robots are."

At the same time, in regions like China where robotics adoption is accelerating apace, the story is more nuanced. Displacement may happen over time.

"Most of the automation equipment in the industry is used to replace manual labor in repetitive and simple processes," said Felix Yang, accelerated digitalization lead at SF DHL China, in an article on trends that will survive COVID-19. "However, in the future, we believe collaborative robots will increasingly participate in complex production processes."

Bradley said that companies often frame the introduction of robotics as an efficiency issue and, as a result, will be forced to reduce headcount if their principal objective is to reduce costs. The real payoff for robotics, he said, comes in using it to enable greater innovation and strategic work from humans.

"If your goal is primarily for efficiency, you're wasting your time," Bradley said. "Introducing robotics needs to be more strategic and allow you to ... offer services and products and bring them to market faster and take advantage of an opportunity. That's why it often comes back to headcount. We set it up that way."

Source : IOT World Today

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AI AND BLOCKCHAIN: SOLVING SUPPLY CHAIN'S TRANSPARENCY PROBLEM

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Data has always been a fundamental component of international trade and transportation, but, never has so much information been available as today. Remote sensing, telematics, connected devices, and vehicles all generate huge volumes of valuable data – the only challenge for organizations in the logistics and supply chain industry is how to harness this information and turn it into actionable insights. Having the right data enables organizations to maximize efficiency across their supply chain, boosting profits, speeding delivery, and reducing costs for themselves and their customers.

This insight can be used everywhere from improving warehouse management to finding the quickest transportation routes; it enables agile businesses to take advantage of rapidly-fluctuating prices for raw materials and manufactured goods. It can even bring much-needed accountability and transparency to enormously complicated supply chains, enabling businesses to prove the provenance of everything from diamonds to the ingredients of our frozen lasagna.

To turn this mass of structured and unstructured data into usable insight, logistics and supply chain organizations are harnessing the power of two key technologies – artificial intelligence (AI) and blockchain. Together, they can integrate data from any number of diverse sources, devices and systems, and enable enterprises to optimize every aspect of their supply chains.

SMART OPERATIONS : Modern-day business relies on a complex web of supply chains, with products, parts and materials often shipped thousands of miles and from many destinations around the globe. AI is critical for optimizing these international routes, but also for improving the efficiency of transportation in the “last mile” of delivery – and even in the warehouse itself.

Using AI algorithms enables businesses to leverage historic trip sheets and real-time data to estimate time of delivery, and to optimize vehicle routes and sequence deliveries using information on local conditions such as traffic and weather. Data-driven dashboards also provide valuable insight into the performance of drivers, facilities and operations, enabling organizations to examine key performance indicators such as total travel time, helping to benchmark and improve service planning.

With retailers under pressure to optimize delivery times, and competing with each other to provide next day or even same-day delivery, these principles are also being used to improve warehouse operations. AI-powered systems can instantly map capacity and availability of goods within the warehouse, and match available manpower most effectively with current levels of demand. Other uses include the ability to consolidate shipments more effectively by grouping items by location, customer, season, mode of freight, delivery timelines and transport prerequisites such as optimum ambient temperature and humidity. Operators can also gain critical insight into problems such as damage claims helping

them analyze problems in the supply chain, enhance damage mitigation approaches, or to inform the rates they charge for high-risk cargo.

These benefits are becoming increasingly well-understood within the supply chain industry. According to our 2018 Third-Party Logistics Study, competitiveness is the biggest single motivation for investing in automation and digitization, cited by 33% of respondents worldwide. Clearly, the race is on to adopt and deploy these technologies and steal a march on the competition.

ACCOUNTABLE SOURCING : In 2013, the UK was rocked by a food safety scandal when investigators found horsemeat in various frozen foods, masquerading as beef. The issue of provenance isn't restricted to food but covers a range of goods and issues, including clothing, diamonds, automotive and electronic products. Consumers and regulators need to know that manufacturers have followed the rules surrounding ethical sourcing, child labor, and counterfeiting. Unfortunately, the complexity of supply chains often makes it difficult for retailers and manufacturers to verify this information.

This is where blockchain can have a transformational effect upon the logistics, manufacturing and retail industries. The same technology that is used to log and record bitcoin and other cryptocurrency transactions can be applied to the supply chain. One use is to register the transfer of goods between two parties, identified as two addresses in the blockchain. The transaction logged in the blockchain would include relevant supply chain information such as location, date, price, and quantity, which would be available in the distributed ledgers. This makes it possible for anyone involved in this transaction – or future ones – to trace every ingredient or component to its place of origin.

The decentralized ledger makes it impossible for anyone to manipulate this data, giving regulators such as food standards agencies or drugs regulators the ability to determine who is responsible for contamination or other breaches of compliance. Yet we're still some way from harnessing the power of blockchain to deliver these many benefits. According to our research, just over a fifth of supply chain professionals see a benefit in adopting blockchain; although there is already considerable interest in how the technology can be applied to issues such as traceability, transparency, and meeting regulatory compliance. The application of blockchain to logistics is clearly in its earliest stages, even if its potential is obvious.

The globalization of world trade which began in the late fifteenth century has now become so complex that organizations urgently need to improve the visibility of the thousands of processes involved. Technologies such as AI and blockchain are crucial in enabling transport and logistics operators to interrogate and explore huge volumes of data and deliver more efficient, more accountable operations.

Source : www.infosysconsultinginsights.com

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COVID -19: GST COMPLIANCE REFLIEF MEASURES

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Government of India, had announced various measures, including some relief from a GST perspective as well. To provide relief to businesses grappling with the economic impact of Covid -19, the government has given relaxations by extending the filing of Return for the month of March, April and May 2020 and composition returns under GST June 30.

Government of India had inserted section 168A by Taxation Ordinance 2020 dated 31st March 2020. Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, by notification, extend the time limit specified in, or prescribed or notified under, this Act in respect of actions which cannot be completed or complied with due to force majeure. The power to issue notification under sub-section (1) shall include the power to give retrospective effect to such notification from a date not earlier than the date of commencement of this Act.

According to CGST Notification No.30/2020 dated 3.4.2020, Relief under Rule 36(4);

Current Rule : Input tax credit claim in respect of the Invoices or debit notes not appearing in GSTR-2A claimed every month in GSTR-3B cannot exceed 10% of eligible credit appearing in GSTR-2A at the time of filing GSTR-3B.

Relief : The conditions of availment of ITC in GSTR-3B as per above Rule for the period February to August 2020 shall be fulfilled on a cumulative basis. Accordingly, taxpayers need to do final adjustments in ITC availed while filing GSTR-3B for the month of September 2020, i.e. in case excess ITC is availed by the taxpayers then such excess ITC shall be adjusted while filing GSTR-3B for the month of September 2020.

The major relief under Rule 36 (4),Taxpayer can take full credit of Input Tax Credit without any deduction under Rule 36(4) while paying off a GST liability till the month of August 2020.

Not only It will be positively impacted on Working Capital Management and Cash flows of Taxpayer, but also reduced the burden of finance costs. Ultimately, it will have a positive impact on the bottom line of the Company.

Following example shows the working of Relief under Rule 36(4)

Month	ITC as per Books (Rs.)	ITC as per 2A (Rs.)	ITC in 3B (Rs.)
Apply 10% rule till January 2020			
Feb-20	10000	Cumulative Total 60000	

	in 2A	10000
Mar-20	10000	10000
Apr-20	10000	10000
May-20	10000	10000
Jun-20	10000	10000
July-20	10000	10000
Aug-20	10000	10000

Calculation on cumulative basis as per Relief

Total ITC as per books -	: 70000
ITC as per GSTR-2A	: 60000
ITC not appearing in 2A	: 10000
Maximum ITC	: 66000 (600+60)
ITC already claimed	: 70000
Adjustment in Sep 2020	: (4000)

According to CGST notifications 31,32 and 33 dated 3rd April 2020 ,Major Relief given for GST Returns filing date extended ,relief from late fee, Penalties

The relief has been provided in following manner:

- Waiving the late fee if the GSTR-1 or 3B for a month or quarter is filed till certain dates
- Waiving interest if GSTR-3B is filed till a certain date
- Reduced rate of Interest @9% p.a. as against existing Interest rate of 18% p.a. if GSTR-3B is filed till a certain date

Below Table Shows Revised Due Dates for GSTR -3B and GSTR -1

GSTR – 3B Turnover Above Rs.5 Crs.

Month	Due dates	Interest			Late fee
		Nil if filed (within 15 days from due date)	@ 9% p.a., if filed between	@ 18% p.a., if filed on or after	
Feb-20	20.03.2020	04.04.2020	5 th April to 24 th June, 2020	25.06.2020	24.06.2020
Mar-20	20.04.2020	05.05.2020	6 th May to 24 th June, 2020	25.06.2020	24.06.2020
Apr-20	20.05.2020	04.06.2020	5 th June to 24 th June, 2020	25.06.2020	24.06.2020
May-20	27.06.2020	NA	NA	28.06.2020	NA

GSTR – 1 Turnover Above Rs. 5 Crs.

Month	Due dates	Late fees waived if filed on or before
Feb-20	11.03.2020	NA
Mar-20	11.04.2020	30.06.2020
Apr-20	11.05.2020	30.06.2020
May-20	11.06.2020	30.06.2020

GSTR – 3B Turnover Above Rs.1.5 Crs But less than Rs.5 Crs.

Month	Due dates	Nil Interest if filed till	Late fee Waived if till
Feb-20	22.03.2020*/24.03.2020**	29.06.2020	29.06.2020
Mar-20	22.04.2020*/24.04.2020**	29.06.2020	29.06.2020
Apr-20	22.05.2020*/24.05.2020**	30.06.2020	30.06.2020
May-20	12.07.2020*/14.07.2020**	NA	NA

GSTR – 1 Turnover Above Rs.1.5 Crs But less than Rs.5 Crs.

Month	Due dates	Late fees waived if filed on or before
Feb-20	11.03.2020	NA
Mar-20	11.04.2020	30.06.2020
Apr-20	11.05.2020	30.06.2020
May-20	11.06.2020	30.06.2020

GSTR – 3B Turnover less than Rs.1.5 Crs

Month	Due dates	Nil Interest if filed till	Late fee Waived if till
Feb-20	22.03.2020*/24.03.2020**	30.06.2020	30.06.2020
Mar-20	22.04.2020*/24.04.2020**	03.07.2020	03.07.2020
Apr-20	22.05.2020*/24.05.2020**	06.07.2020	06.07.2020
May-20	12.07.2020*/14.07.2020**	NA	NA

GSTR – 1 Turnover less than Rs.1.5 Crs

Month	Due dates	Late fees waived if filed on or before
Jan. 2020 to March 2020	30.04.2020	30.06.2020
April 2020 to June 2020	31.07.2020	NA

According to CGST notifications 30 and 34 dated 3rd April 2020 ,major Relief given to Composition Tax Payer

Below Table Shows Relaxations :

Particulars	Existing Due date	Revised Due date
Intimation in CMP-02 for opting for Composition Scheme for FY. 2020-21	31 March 2020	30 June 2020
Filing of ITC-03	30 May 2020	31 July 2020
File of CMP-08 for Quarter January to March 2020	18 April 2020	7 July 2020
GSTR-4 for FY 2019-20	30 April 2020	15 July 2020

Conclusion : The Government has also decided that the due date for issue of notice, notification, approval order, sanction order, filing of appeal, furnishing of return, statements, applications, reports, any other documents, time limit for any compliance under the GST laws where the time limit is expiring between 20th March 2020 to 29th June 2020 will be extended to 30th June 2020. Further, the government has given many other concessions apart from, above via ITC 180 days Rule, Summons issued u/s 70 of CGST Acts, 2017, Time limit for Job work – 1 years and 3 years and Refund of GST u/s 54 etc. I would say that, the extension of deadline for filing of GST returns is very much needed to the industries and individual Tax payers to stream line the business activities disrupted due to COVID -19.

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BRANCH NEWS

■ MUMBAI BRANCH

■ PUNE BRANCH

MUMBAI BRANCH

During the lockdown period, as part of service to our members & MSME sector, IIMM Mumbai conducted a free Webinar Series from 27th April to 20th May'20 on the following topics:

1. Financial Management Post Lockdown–2020 by Dr. Chaitanya Shah
2. Leadership Challenges and Way Ahead amidst Covid-19 Crisis by Rr. Admiral Pradeep Joshi (Retd) & Mr. Ashish Nagpurkar
3. Data Analytics for Business - Overcoming post Covid-19 business challenges with analytics by Mr. Santosh Tamhane
4. Supply Chain Priorities for Early Revival - Strengthening the Weak Links by Mr. Virendra Mantri

All the speakers belong to the IIMM family and are practicing experts in their respective field. Mr. Kedar Naik a young IIMM member and founder of DhiSoftTech, a start up in the field of Digital Marketing and Supply Chain lent the required IT support throughout the webinar series.

More than 800 members registered for the webinars from 5000 emails, Whats App messages & 14000 hits from social media platforms like Facebook, Instagram, Twitter & LinkedIn.

The data collected reveals that the webinars were widely attended by participants from different sectors spanning from Automobiles, Construction, Engineering, Education, Food Processing, Information Technology, Oil & Gas, Projects, Pharmaceutical and Textile.”

PUNE BRANCH

To commemorate MM week, Pune branch organized three online Webinar Lectures:

Chairman, Mr. Terrence Fernandes welcomed all the members for the sessions & extended MM Day greetings to members who joined each webinar session. He also briefed about the activities of the branch & encouraged on membership growth and its benefits.

He also requested members to collaborate with the branch for new activities to create value addition which will pave the way to growth and success.

The first webinar session was held on 24.04.2020, conducted by our National Councilor Mr. Shrivardhan Gadgil on topic “**Impacts on Supply Chain in slow economy (Post Corona)**” from 5 pm to 6.00 pm. We had participation of 49 members & guests for this session. The session highlights are:

- Safety and Health will remain the focus and priority in Supply chain.
- There will be shift in demand from the customers sending out fewer inventories than normal.
- Change in export and import fees will impact the supply chain as it will lead to decrease in demand or orders resulting in change to a local supplier with less or without tariffs.
- Since all the businesses won't be operating efficiently in full capacity, people may be laid off. Goods may take longer to be delivered because of the less staff operations on ground. The best example is e-commerce firms like Amazon and Flip kart.
- As consumer spending slows down, there will be decrease in orders; inventory will pile up, indirectly putting pressure on Inventory Managers to get rid of dead stock. Extra inventory stock and uncertainty around pricing modules will directly supply chain as warehouse shipments might slow down and space can go underutilized.

The second webinar session was held on 26.04.2020, conducted by our Executive Committee member, Mr. Nitin Athavale on topic “**Challenges & Shift change in Industry – Post Covid-19**” from 5 pm to 6.00 pm.

42 Participants joined for this session. The highlights of this session are:

- The most important challenge post covid-19 will be managing the workforce at work considering their safety and health.
- To keep the cycle moving, most of the people will be asked to work from home and only 30% of the

important staff would come to workplace.

- In Supply Chain industry, there will be less deliveries, unexpected return and cancel orders resulting in no forecasting and schedules.
- Due to economic slowdown, agreements and contracts would be redefined to reduce the unnecessary costs and expenses.
- Permanent roles recruitment will freeze deferment in salary increment, more contractual projects and assignments, frequent layoffs, pay cuts, multiple job responsibilities and new payment structure for all employees.
- New investments, projects will be postponed, existing ones will be reviewed to cut the costs, and a change in taxation policies, divestment of funds.
- Directly or Indirectly, it is going to impact the profitability of all the businesses and economy leading to financial crunch, instability, debts, bankruptcy, closure of startups, credit risk.

The third webinar session was held on 28.04.2020, also conducted by our National Councilor Mr. Shrivardhan Gadgil on topic **“Prospects to Indian Entrepreneurs with the use of emerging technologies in slow economy (Post Corona)”** from 5 pm to 6.00 pm. 68 participants joined in for this session, which highlighted below points.

- The prospects are very good to Indian Entrepreneurs post Covid-19 as there would be tremendous shift of organizations from various geographical locations to India.
- There is a need and urgency to the learn and implement emerging technologies like Artificial Intelligence (AI) , Block Chain, Cognitive cloud computing, Internet of Things (IOT), Rapid Prototyping, 5G/6G Communications, and Agricultural Robots in order to boost the economy.
- Necessity is the mother of invention as need or problem encourages creative efforts to meet the need or solve the problem.
- To be in the top world’s biggest economy, we need to focus more on exports and become one of the manufacturing global hub which is possible through building strong eco-system like MSME bodies, Capital & Credit, Transparency, Speed, No corruption, Proactive Government policies, good educational institutes like IIT’s and IIM’s, New Entrepreneurs to become developed economy and country on global map.

The webinar concluded with a very famous quote by Richard Nixon as “The man is not finished when he is defeated; he is finished, if he quits the war!

These online sessions were the first of its kind organized by Pune branch & were very much appreciated by our members & guests for the content shared by the speakers in their presentations.

An online Webinar Lecture on **“Latest Amendments in GST due to COVID-19”** was held on Friday, 15th May 2020 from 7pm to 8.30 pm.

Mr. Manas Joshi, the Guest Speaker, is a Director at Proficient Partners Consultancy Pvt. Ltd. He is Certified GST Practitioner and Consultant with 15 years of rich experience in taxes. Also a GST committee member of MCCIA and conducted more than 270 seminars on GST (in-house and open-house).

The Chairman, Mr. Terrence Fernandes welcomed all the members for the session & discussed about upcoming activities of the branch. He also encouraged on membership growth and its benefits & collaborating for new activities to create some value addition which will pave the way to achieve growth and success.

The Speaker explained the GST compliance relief measures for various tax payers affected by the countrywide lockdown due to pandemic situation. The measures were related to a set of notifications regarding the due date extensions, e-way bills and provisional Input Tax Credit (ITC).

The GST-1 for the March, April and May 2020 has been extended till 30th June 2020. The GSTR-1 due date for the quarter ending on 31st March 2020 has also been extended till 30th June 2020. The GSTR-3B due dates have been shifted to June 2020 for all the return periods from February to April 2020.

The late fee has been waived off for tax payers with an annual aggregate turnover of less than Rs.5 crore. There is an important update about the provisional input tax credit (ITC) claims. Originally a tax payer was allowed to claim a provisional ITC only to the extent of 10% of the eligible credit available in GSTR-2A while filling their GSTR-3B. However, the government has relaxed this requirement of adjusting on a month-to-month basis up to September 2020.

The e-way bills validity has been extended to 30th April 2020 from 15th April 2020. Finally, all the other GST compliance falling due between 20th March 2020 and 29th June 2020 shall stand extended till 30th June 2020.

The program was attended by 45 members. After the presentation, followed a session of questions & answers to clear the doubts and share the thoughts.

The Honorable Secretary, Mr. Prasad Rao concluded the session with a vote of thanks and as a token of appreciation presented a digital copy of Memento online to the speaker Mr. Manas Joshi.



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EXECUTIVE HEALTH

HOW TO LIVE A HEALTHIER LIFESTYLE

PAIGE WAEHNER

The phrase 'healthy lifestyle' is an abbreviated definition of how you should live if you want to get the healthiest body you can—one that both looks good and feels good. You know the obvious behaviors that describe someone who is healthy and takes care of themselves. A healthy person doesn't smoke, tries to maintain a healthy weight, eats healthy foods with plenty of fruits, vegetables and fiber and, of course, exercises on a regular basis.

Then there are other elements to add to the list. A healthy person also knows how to manage stress, gets good quality sleep each night, doesn't drink too much, doesn't sit too much—basically, does everything in moderation all the time. When you look at everything that could possibly go into a healthy lifestyle, you can see just how hard all of those things are in our current world.

The good news is, you don't have to change everything at the same time. In fact, the trick to healthy living is making small changes—taking more steps each day,¹ adding fruit to your cereal, having an extra glass of water, or saying no to that second helping of buttery mashed potatoes. One thing you can do right now to make your lifestyle healthier is to move more.

Here's Why You Need Move More

You know you need to exercise, but there are many excuses not to do it. You're too busy, don't know where to start, you're not motivated or you're afraid you'll injure yourself. Maybe you think exercise has to be really hard or it isn't good enough.

Whatever definition you have about what exercise is or isn't, the bottom line is that exercise is movement. Whether it's walking

around the block or running a marathon, that movement is exercise and every time you move more than you normally do, it counts.

It's great if you can spend time exercising—meaning you're sweating, working in your target heart rate zone, or doing something to strengthen your body. But it doesn't always have to be that way. Moderate activities like chores, gardening and walking can make a difference.²

The Benefits of Moving More

The great thing about moving is that just a few minutes a day can have lasting benefits, many of which you may not even be aware of.

Just some of the benefits include:²

- Reduces the risk of heart disease, stroke, and diabetes
- Improves joint stability
- Increases and improves range of motion
- Helps maintain flexibility as you age
- Maintains bone mass
- Prevents osteoporosis and fractures
- Improves mood and reduce symptoms of anxiety and depression
- Enhances self-esteem
- Improves memory in elderly people
- Reduces stress

Even if you opt for small changes and a more modest weight loss, you can see the benefits are still pretty amazing.

The Centers for Disease Control and Prevention notes that if you are overweight, reduction of 5 to 10 percent of your total body weight can help lower blood pressure, cholesterol, and blood sugar.

In fact, you don't even have to have a goal to

lose weight, especially if you have trouble sticking to a program. Why not focus on being healthy to start and worry about the weight loss once you've got some healthy habits under your belt?

Simple Ways to Move Your Body

You can start the process of being healthy and now by adding a little more activity to your life. If you're not ready for a structured program, start small. Every little bit counts and it all adds up to burning more calories.³

Turn off the TV and computer. Once a week, turn off the TV and computer and do something a little more physical with your family. Play games, take a walk, do almost anything that will be more active than sitting on the couch.

Walk more. Look for small ways to walk more. When you get the mail, take a walk around the block, take the dog for an extra outing each day, or walk on your treadmill for five minutes before getting ready for work.

Do some chores. Shoveling snow, working in the garden, raking leaves, sweeping the floor—these kinds of activities may not be vigorous exercise, but they can keep you moving while getting your house in order.

Pace while you talk. When you're on the phone, pace around or even do some cleaning while gabbing. This is a great way to stay moving while doing something you enjoy.

Be aware. Make a list of all the physical activities you do on a typical day. If you find that the bulk of your time is spent sitting, make another list of all the ways you could move more—getting up each hour to stretch or walk, walk the stairs at work, etc.

Eating Well Without Being Miserable

Eating a healthy diet is another part of a healthy lifestyle. Not only can clean diet help with weight management, but it can also improve your health and quality of life as you get older.⁴ You already know about the food groups and the fact that you should eat more

fruits and vegetables and less processed foods. You probably have a list of things you know you should do for a healthier diet but, again, making too many changes at once can backfire. Going on a restrictive diet may make you crave the very foods you're trying to avoid.⁵

Another approach is to look for ways to make smaller changes each day.⁴ Just a few ideas for changing how you eat include:

Eat more fruit. Add it to your cereal, salads, dinners, or make it a dessert. The fruit is also a great snack after work or school to keep you going for dinner.

Sneak in more veggies. Add them wherever you can—a tomato on your sandwich, peppers on your pizza, or extra veggies in your pasta sauce. Keep pre-cut, canned, or frozen veggies ready for quick snacks.

Try a healthy salad dressing. If you eat full-fat dressing, switch to something lighter and you'll automatically eat fewer calories.

Eat low-fat or fat-free dairy. Switching to skim milk or fat-free yogurt is another simple way to eat fewer calories without having to change too much in your diet.

Make some substitutions. Look through your cabinets or fridge and pick three foods you eat every day. Write down the nutritional content and, the next time you're at the grocery store, find lower-calorie substitutes for just those three items.

A Word From Verywell

Creating a healthy lifestyle doesn't have to mean drastic changes. Making small changes in how you live may seem like a slow process, and it is. You may adapt to change better when it doesn't require you to overhaul your entire life. Just pick one thing and work on that one thing every day, letting the rest of your life and habits stay the same. You may be surprised that those small changes really can make a difference.

Source : www.verywellfit.com





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