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MATERIALS MANAGEMENT REVIEW

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Union Budget 2021- Key announcements

Covid-19 vaccine ₹35,400 crore

Scheme to assist Discoms ₹3.05 lakh crore

PLI scheme for 13 sectors ₹1.97 lakh crore

Railways ₹1,10,055 crore

Public transport ₹18,000 crore

Ministry of Road, Transport & Highways ₹1,18,101 crore

Development finance institution ₹20,000 crore

Rural infra fund ₹40,000 crore

ATMANIRBHAR BHARAT

UNIVERSAL COVERAGE OF WATER SUPPLY

SWACHH BHARAT SWASTH BHARAT

CLEAN AIR

MSME SECTOR GETTING BOOST WITH RS. 15,700 CRORE

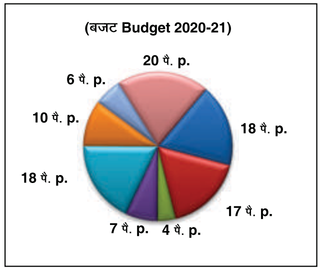
WELFARE OF FARMERS

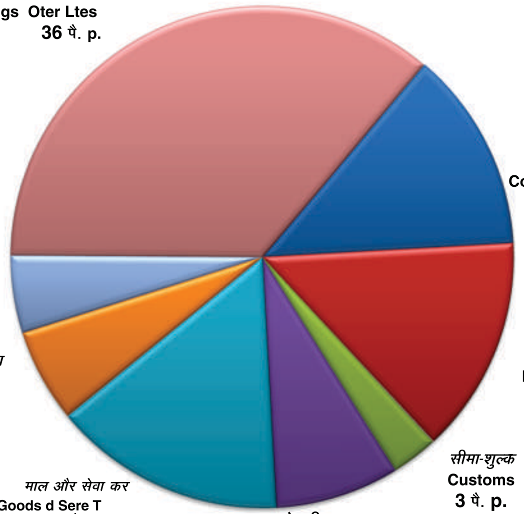
SUPPORT FOR NEW EDUCATION POLICY

FINANCIAL INCLUSION

रुपया कहां से आता है Rupee Comes From

(बजट Budget 2021-22)





टिप्पणियां:-1. कुल प्राप्तियों में करों और शुल्कों में राज्यों का हिस्सा शामिल है, जिन्हें पृष्ठ 1 पर सारणी में घटा दिया गया है

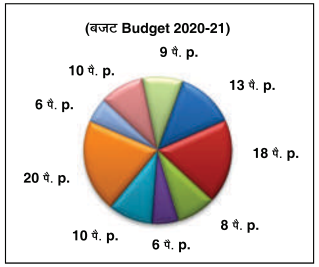
2. आंकड़ों को पूर्णांकित किया गया है।

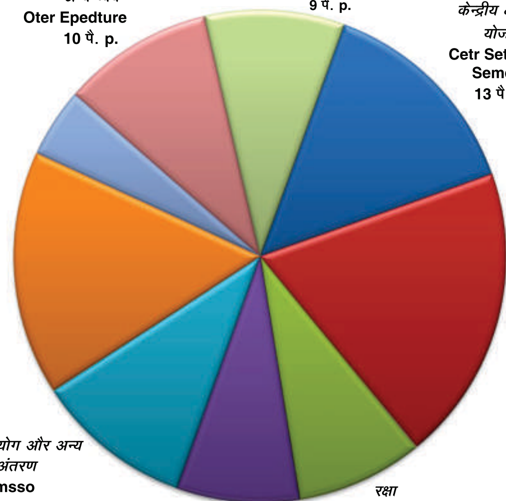
Notes:-1. *Total receipts are inclusive of States' share of taxes and duties which have been netted in the table on page1.*

2. Figures have been rounded.

रुपया कहां जाता है Rupee Goes To

(बजट Budget 2021-22)





टिप्पणी :-कुल व्यय में करों और शुल्कों में राज्यों का हिस्सा शामिल है, जिन्हें पृष्ठ 1 पर सारणी में प्राप्तियों में से घटा दिया गया है।

Note:- Total expenditure is inclusive of the States' share of taxes and duties which have been netted against receipts in the table on page 1.

From the Desk of The National President

Dear Members,

Greetings from National President!!

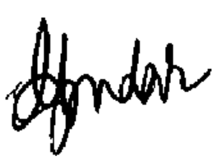
As we are coming to an end of the financial year 2020-21, overall economy has started picking up. Both BSE and NSE index have touched the new peak. GST collection which is one of the indicator of growth has picked up. Job market is rebounding back. Many of the companies have decided to give a decent increment to their employees. Within a little over one month, the number of people who are vaccinated has crossed 1 Crore mark. By mid-March second phase vaccination to estimated 27 Crore Indians of over 50 years of age and those with comorbid condition will begin. India is now the second country next to US in terms of number of people vaccinated. Few sporadic cases of new virus strains are getting reported, at the same time few states are reporting higher number of positive cases of late. Hence, we all should continue to strictly follow the COVID protocol and should not lower our guard in our fight against COVID.

Chennai Branch successfully hosted their signature event SPECTRUM 21 along with NATCOM 20-21 on 18th and 19th February 21 on virtual platform. With carefully chosen theme, excellent technical sessions, great time management, team Chennai once again proved their professionalism and expertise in successfully hosting such event. During NATCOM 20-21 session, Lifetime Achievement Award was presented to 3 of our Past Presidents – Late Dr. M. K.Bhardwaj (Posthumously), Mr. V. Hariharan & Mr. S. Krishnaswami for their remarkable contribution for the overall growth and development of IIMM. IIMM research wing, Centre For Research In Materials Management(CRIMM) research fellowship awards were presented to following 3 research Scholars: 1) Mr. Rajesh Rai from Reserve Bank Mudran Pvt. Ltd. for his research work titled Ä study on Solid Waste Material management at Mysuru Municipality and suggest improvements in Material Handling Systems. 2) Mr. Yatish BasavrajGanganwar of MESCO (Maharashtra Ex-servicemen Corporation Ltd.) on the title Supply Chain Cluster Development in MESCO. 3) Mr. Suman Das of N.E. Railway Stores Department, Siliguri on the title Analysis and optimization of storing cost in N.E. Railway stores Department.

With the formal handing over the NATCOM 21 flag to Vadodara Branch virtually, the stage is now set for NATCOM 21. This is going to be a physical event since by then most of the vulnerable section of population will undergo vaccination. Chairman Vadodara Branch Mr. K.B.Walvekar while taking the NATCOM 21 banner invited everyone to Vadodara, the cultural capital of Gujarat by quoting superstar Amitabh's famous tagline "kuch din to guzariye Gujarat mein".

We are nearing the end of admission for Jan. 21 Session. Going by the current number of student enrolment we are still on halfway mark compared to corresponding period of Jan. 20. Lets all strive together to at least hold the previous year's enrolment numbers by converting the live enquiries into actual enrolment. The annual account finalization of NHQ and branches are nearing completion which will be completed by end Feb. 21. The accounts passing meeting and AGM schedule is being planned out which in all probability will be a virtual meeting.

With Warm Personal Regards



MALAY MAZUMDAR
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From the Desk of Chief Editor

Dear Members,

Eyeing the revival of Indian Economy after the disruptive impact of Covid 19 pandemic across the globe, Finance Minister has announced a Pro-Economy Budget on February 1st 2021. The world economy was already in the state of slowdown, when Covid 19 pushed us to further unprecedented contraction. As per the reports of Ministry of Statistics, Our economy contracted 24% in the 1 st Quarter of 2020-21 Fiscal Year on account of essential relief to general public at large during Lockdown coupled with various packages for economic push. The Fiscal deficit for FY 2020-21 stands out at 9.5% of GDP which is targeted to be 6.8% for the FY 2021-22.

Govt. took immediate measures like Pradhan Mantri Garib Kalyan Yojna (PMGKY), Atmanirbhar Baharat Packages including other decisions taken by RBI in controlling the Macro Economic Environment to deal effectively with various issues during this tough time. These packages provided livelihood to poor and migrant workers at the same time accelerated the structural reforms, which leads to rebound of Indian Economy.

To sustain this recovery, Industrial activities coupled with infrastructural projects are to be pushed in right direction at a good pace and that is why, Budget 2021 has a very clear focus on increasing manufacturing capabilities and paving the way for an “Atmanirbhar Bharat”. Budget 2021 reaffirmed its commitment to National Infrastructure Pipeline (NIP).

Out of the total 7400 projects in NIP, 18% are in the road Sector and 12% are in Railways, which will significantly change the logistics structure and back the growth of the sector. Logistics & Supply chain are critical enablers for the success of “Make in India and Atmanirbhar Bharat” initiative and accordingly a whooping sum of Rs 1.10 Lakh Crore is allocated for Eastern and Western Dedicated Freight Corridors (DFCs) which will be operational by mid of June 2022. This will ease out the already overburdened road traffic, which accounts for 67% of Road traffic. Another Rs 1.18 Lakh Crore is allocated to Ministry of Road Transport & Highways for continuous Upgradation of Highway infrastructure which will not only bring down the logistics cost but also boost the employment generation at the same time stabilize the Indian Economy.

Supply Chain Management was mentioned by Finance Minister in Budget speech and afterwards many times. The Budget 2021-22 doubled the allocation to the MSME sector to INR 15,700 crores (vs. INR 7,572 crores allocation in Budget 2020-21). Union Budget 2021-22, recognizes the significance of startups and importance of providing conducive environment to stratups, as it extends the eligibility of claiming tax benefits for startups by one more year i.e. upto 31 March 2022. On similar lines to promote investments in startups, capital gains have been exempted for investments by one more year till 31 March 2022. Provision for the benefit of Migrant workers and GIG economy workers are path breaking initiatives. Emphasis on Cold Chain will go a long way in Improving the Food Supply Chain & healthcare Infrastructure.

IIMM has always been in forefront of organizing conventions and seminars on themes related to SCM. A very successful NATCOM was organised by IIMM on 18 th & 19 th February 2021 focusing issues relating to new normal in Supply Chain Management and such initiatives will continue in future.

Materials Management review is bringing out a special issue on Sustainable Supply Chain Management in June 2021. I request readers to forward the articles related to SCM Sustainability for June 2021 Issue.

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IIMM is a charter member of International Federation of Purchasing & Supply Management

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MAKE IN INDIA IN PUBLIC PROCUREMENT

KAMESHWAR CHOUDHARY, (RET) IRSS

The clarion call given by Shri Narendra Modi, the present Prime Minister of India for building Indian Industry for Make in India came in limelight in 2015 with ambitious plan to support Indian Industries. Though India has been consciously carrying out the activities of Import Substitution and indigenization for last many years irrespective of hues of Governance, the aspiration of Indian Industry grew fast to Make products in India either harnessing its own potential or in collaboration with MNCs/TNCs of the global level.

SIZE OF PUBLIC PROCUREMENT:-

Public Procurement consumes major chunk of the Budget of any country. It estimates about 20% of GDP of OECD Countries. Though there is no documented data by for India, the Public Procurement of India is about US$ 400 t0 500 billion (Rs 28,00,000 crores) which includes procurement of CPSEs and States. From other estimates it is to the tune of 40% of Expenditure Budget.

Framework of MII in Public Procurement:-

There being no separate law in India for Public Procurement, it is governed by executive Instructions and policies of various Departments such as Department of Expenditure, DPIIT, MSME, MEITY, Department of Pharmaceuticals etc. Even CVC has been issuing some circulars about procurement processes to be followed by Govt. organisations. Consequent to recommendation of one man Dhall Committee, the task of Public Procurement was entrusted to Ministry of Finance (Department of Expenditure). Subsequently, Government of Electronic Market (GeM) under Department of Commerce was declared as National Portal of Public Procurement of India. Policies, regulations and executions by setting of Institutions are important facets of Governance. After winding of DGS&D - a Central Purchase Organisation of Government of India on 31.10.2018- the centralised Policy Manual of Procurement has become obsolete. However General Financial Rules-2017 has been in vogue. 35 no. of rules of GFR-2017 (Chapter –VI) govern procurement of Goods. Besides Rules for Procurement of Services (Consulting/Non Consulting) and Works have been separately laid down. Policy for reservation and preferences for Indian Industries have been derived from the same GFR-2017.Min of Finance has also framed Manuals of Procurement of Goods& Services and that for Works (2019) for adaptation by Central Government Departments.

The Public Procurement (Preference to Make in India) Order dated 15.06.2017 for goods and Services emerged as an initiative emanating from Rule-153 (iii) of GFR- 2017. The Public procurement Bill 2011 had lapsed in 15th Parliament after deliberations at Bureaucratic and Political levels. There being no regimented policy after dilution/decay of CPO (DGS&D), there has been no alternative but to depend upon 35 Rules illustrated under Chapter -6 of the GFR-2017 for procurement of Goods and Services. However, GFR is mandated to only Govt Depts. under Union Government. PSUs and Autonomous Bodies follow similar practices with customised processes as directed by Department of Public Enterprises. The PPP.MII Order,2017 is however applicable on all Govt sector procurement entities including PSU and autonomous bodies. This also applies to procurement by SPVs who are using Central Sector Schemes/ Centrally Sponsored schemes of States.

EVOLUTION OF POLICY:-

The policy commencing 15th June 2017 has evolved gradually keeping in view the requirements of Procurement Entities of Government of India and to enable Indian Industries to participate in public procurement programmes. The Order has undergone changes as under:

- PPP-MII Order dated 15.06.2017 (goods & services)
- PPP-MII Order dated 28.05.2018 (goods, services & works)
- PPP-MII Order dated 29.05.2019 (administrative action for non-compliance)
- PPP-MII Order dated 04.06.2020 (classification of local suppliers in three categories)

- PPP-MII Order dated 16.09.2020 (multiple ordering reciprocity etc.)

Since the majority of tenders were also related to procurement of Works, DPIIT (erstwhile DIPP) came out with the amended PPP.MII Order dated 28.05.2018 for procurement of Works and Turnkey contracts. The Features of the original Order however remained unchanged.

Later, it was observed that many Organisations continued violating the PPP.MII Orders inadvertently or willingly as a large no. of Tenders were required to be cancelled. Hence the new PPP.MII order dated 29.05 2019 was issued by inserting a new Clause - 10A for administrative action against the defaulters for violating the Order.

PPP.MII Order dated 04.06.2020 came out with classification of local bidders. Out of 3 classes of local suppliers defined, Class-1 suppliers are those who meet Minimum local contents up to 50%. Claas-2 local suppliers were classified based on local content above 20% and below 50%. The suppliers bidding with local contents below 20% have been termed as non-local suppliers. The entitlement for preference was restricted to Class-1 local Suppliers only leaving other classes of suppliers not entitled for preferential treatment.

The limit of Rs. 50 Lacs indicated in Cl.3(a) of PPP.MII Order,2017 has been withdrawn. In 2020 Order, Admin Ministries (PEs) had been authorised to procure entire /any Qty of the requirement irrespective of value only from local sources, if Nodal Ministries haver declared sufficient capacity and competition for those items.

Prescribed features:-

The PPP-MII Order, 2017 has following significant features governing procurement by Central Govt and CPSEs. These are:-

i) Preamble and Definitions under which basic intents of promoting employment and increase of income have been specified in clear terms highlighted. The value addition by local bidders by way of local contents has been given importance. The local industries can declare location of value additions and contents thereof.

ii) Reservation and preferential treatment to local bidders are special features of this order. In PPP_MII Order,2017, procurement up to Rs 50 Lacs were reserved for local bidders provided there was sufficient capacity and competition declared by nodal ministries . This has undergone amendment on 16.09.2020 by removing the limit of 50 lakh.

- In any Public tender (NITs), the lowest (L-1) bidder deserved contract for 100% Qty only, if they are the local bidder. The Local Bidder bidding higher than the Lowest(L-1) bid was entitled for 50 % Qty , if the price offered by them is within the Margin of 20% above the price of L-1 Bidder (non-local bidder). This is subject to price matching with lowest Tenderer.

- In case, the contract could not be divisible, the higher priced(L-2) local bidder is entitled to the contract for 100 % Qty. This is also subject to matching of price by the local bidders. The lowest (L-1) bidder could get the qty only if the local bidder renounced their entitlement by not matching the price.

iii) Declaration of MLCs and Verification there of:- Bidders are required to declare their MLCs for the product offered. Up to Rs10 Cr value of the Bids, they need to provide self-Certification of their declaration. Above the Tender Value of Rs 10 Cr. the bidders are also required to submit the Certification of Statutory Auditors of the Company or the Chartered/Cost Accountants.

iv) PPP.MII Order dated 04.06.2020 came out with classification of local bidders. Out of 3 classes of local suppliers defined, Class-1 suppliers are those who meet Minimum local contents up to 50%. Claas-2 local suppliers are classified based on local content above 20% and below 50%. The suppliers bidding with local contents below 20% have been termed as non- local suppliers.

v) The entitlement for preference was restricted to Class-1 local Suppliers only leaving other classes of suppliers not entitled for preferential treatment.

vi) The limit of Rs 50 Lacs indicated in Cl.3(a) of PPP.MII Order,2017 has been withdrawn. In 2020 Order, Admin Ministries (PEs) has been authorised to procure entire /any Qty of the requirement irrespective of value only from local sources, if Nodal Ministries haver declared sufficient capacity and competition for those items.

vii) The EPC works are also included in the subject Order.

viii) PPP.MII Order dated 16.09.2020 is the latest Order on the subject incorporating many new features. Multiple Ordering (3B), Projection of Procurement for 3 years by PEs having more than Rs 1000 cr and Reciprocity Clause against foreign companies in different form have been introduced in this order.

ix) Reciprocity Clause has been redrafted in a different form. Nodal Ministry has been entrusted with enormous role in identifying the Indian Suppliers of items not allowed by Foreign Governments and to report to Procurement Entities in India including CPSEs and GeM so that reciprocal action is resorted to. NM can identify even PEs of Foreign countries who do not allow Indian Bidders so that bidders from foreign countries can be restricted.

x) Clause 10(e) of the Order prohibits Foreign Certifications and unreasonable technical specifications, Brands/ Models calling them restrictive and discriminatory practices against local suppliers.

ROLE OF NODAL MINISTRIES/DEPTTS:-

i) Declaration of 19 Nodal Ministries/Departments of G.O.I. is a special feature (this has been separately identified with product categories). Department of Science and Technology (DST) has been declared as the Nodal Ministry for Scientific Lab and Testing equipment. Nodal Min(NMs) has been accorded special position to declare Minimum Local Contents for the products pertaining to them, as capacity and competition of local industries and also to change the MLC requirements and margin(20%) for preferences etc. NMs shall keep in view the domestic/supply base assess the available capacity and extent of local competition, while identifying MLC for prescribing higher local contents.

ii) Clause 10(d) of PPP.MII order, 2017 call for preventing bidders from those countries who do not allow Indian Bidders to participate in their procurements. The enforcement of this clause has been a challenge for Indian Bidders due to dearth of documentary evidences. Many MNCs like Plasser, Alstom, Bombardier raised issues of their entry barriers in Chinese procurement as they were considered as Indian Manufacturers. Indian entrepreneurs like Bharat Forge and Tejas Networks also raised such issues. However, the complaints of predatory prices of Chinese bidders in India and prevention of Indian Bidders in China has not been supported by substantial documentary evidences.

iii) Nodal Ministries have been authorised to undertake annual review of the local content requirements with a view to increase them subject to availability of sufficient competition with adequate quality. DPIIT has webhosted the notification of nodal ministries issued in this regard. NMS have declared sufficient capacity and competition for products under their purview. This is an Ongoing Process. Hence PSUs are advised to refer to the websites of Nodal Ministries directly for latest declarations.

Role of Administrative Ministries:-

Power has been granted to Administrative Ministries with the approval of Ministers under clause-14 to reduce MLCs, Margin of preferences and exempt any item or suppliers from operation of this order.

FUNCTIONS OF DPIIT:-

i) Standing Committee constituted of Secretary (Industry), Secretary (Commerce), Secretary (MeitY), and Joint Secretary (Expenditure) & Joint Secretary (DPIIT) associating concerned Department, has periodical meetings to resolve the complicated grievances.

ii) DPIIT (erstwhile DIPP) has a major role in formulation of the policy as well as implementation thereof. Under this order (PPP-MII Order, 2017) a Standing Committee has also been constituted (Cl-16) with functions (Cl-17) for implementation of PPP-MII Order. The SC shall oversee implementation of the policy, assess and monitor the compliance of the Order and identify Nodal Ministries for allocation of items. The SC also assess issues where it is felt that the manner of implementation result in restrictive practice, cartelization or increase of public expenditure and suggest remedial measures. The SC may examine cases relating to Manufacturing under License/TOT to ensure that adequate mechanism exists to enforce agreements for progressive indigenization.

iii) Resolution of Grievances of local Bidders:- This has been the most aspirational issue in this Order . The Indian Bidders have been pouring large no. of Grievances against the Tendering process of GOI and CPSEs, wherein restrictive and discriminatory conditions incorporated by Procurement Entities eliminating the local bidders are resolved by DPIIT. In absence of Grievance Resolution System in Procurement, this feature of PPP.MII Order has become very popular amongst Indian Bidders who include local MNCs also.

SCOPE / APPLICABILITY:-

This Order of GoI.is applicable to all Departments of Government of India and PSUs including autonomous bodies controlled by UOI. This also applies to Centrally sponsored projects. The GeM (Government electronic Market)- a national Public Procurement portal of GoI -is also required to implement this order to promote of Make In India programme. The items of MII and MSEs are required to be marked on GEM.

EXEMPTIONS:-

i) The MOPNG and Ministry Of Steel had issued similar orders before PPP_MII Order 2017 with the approval of Cabinet. Such Orders issued after 01.01.2015 but before 15.06.2017 have been recognised by PPP-MII Order, 2017 to supersede the PPP-MII Order, 2017.

ii) The PPP.MII Order has also exempted low value purchases up to Rs 5 Lacs from the purview of this Order.

Miscellaneous Provisions:-

Recently Finance Ministry (DoE) has made two amendments in GFR -21017. DPIIT has been entrusted with the role of co-ordination of these policies for public procurement.

(a) Rule 140 (xi) regarding registration of Firms pertaining to countries sharing land border with India. This mandates for compulsory registration of such firms having beneficial interest (above 25%) in LBSC, to get registered with DPIIT for participation in tenders.

(b) Rule 161 (iv) of GFR 2017 mandates no global tender enquiry (GTE) for tenders up to 200 Crore to be invited without approval of Cabinet Secretary. This aspect is embedded in para-3(a) of PPP-MII Order, 2020. For issue of GTE below 200 Crore the clearance of Cab Sec / DoE is required. DPIIT has been made Nodal to deal in such items/ proposals of administrative ministries. This applies to all Government Organisations, Autonomous bodies and PSUs. Such proposals of administrative Ministries (with concurrence of Financial Adviser & approval of Secretaries of the concerned Departments are directly submitted to Cabinet Secretariat for relaxation of above rules to department of expenditure.

IMPACT:-

The most aspirational part of PPP-MII Order has been the grievance resolution system for local bidders who have been facing restrictive and discriminatory conditions in public tenders. DPIIT has been resolving grievances of trade in consultation with Procuring Entities/ Administrative Ministries to redress grievances of local bidders and to improve system of procurement by government departments. The grievances of Industries have been received for stipulating restrictive and discriminatory conditions such as:-

a) Mandatory Presence of the firm's brands in Gartner magic quadrant in case of ICT products.

b) Mandatory requirement of USFDA/ European CE for Medical devices.

c) Exclusive turnover requirement of Rs. 1000 Cr for procurement of 70 Cr.

d) Excessive turnover/ experience of 25 years and turnover of 500 Cr (This has been revised)

e) Foreign technical standards indicated in the specifications &

f) Technical parameters to favour foreign products viz- (-) 25 degree temperature compatibility for EPBX equipment being procured for airport in central India.

Many of the tender were cancelled after reviewing these criteria. CPWD has also revised experience / turnover criteria. Some of the cases of grievances are illustrated below:

i) In case of ICF, Chennai (IR) for procurement of T-18 Coaches, it was observed that stringent eligibility conditions also called for qualification of local bidders to have completed supplies inG-8 countries. The complaints of M/s Titagarh Industry, Kolkata was taken cognizance. Ultimately ICF cancelled their Tenders worth about 4500 Cr.

ii) In another case of Tender for 3 no of Under Carriage wheel Lathes by RVNL, the qualification criteria of "having supplied 300 no of Lathes" was incorporated.

iii) For procurement of Lifts, CPWD had framed criteria of Rs 500 Cr turnover and 25 years of experiences required for local bidders to qualify.

Many such grievances of local bidders were taken up by Standing Committee referred above and the NITs were cancelled/ modified for incorporation of rational eligible conditions.

Conclusion:

PPP-MII Orders have been serving the cause of local industries with protection of their business without relaxing the quality or without any adverse effect on the cost of procurement entity. This has emboldened suppliers to raise their voices against restrictive & discriminatory eligibility conditions causing entry barriers to them.

●●●

ADDITIVE MANUFACTURING -IMPACT ON SUPPLY CHAIN

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Abstracts

Three dimensional Printing is the latest innovative technology in the manufacturing sector we may call it rapid prototyping or,additive manufacturing also, a method of creating 3dimenional object from a digital file by using a device that adds layers of materials one after another.This new technology is about to transform every walk of our lives.It permits the rapid conversion of information from digital process to physical design.It describes a process where raw materials in Powder form, liquid, solid filament is deposited atom by atom to create a physical object.

I will highlight how this technology have been substantially improved and has evolved in last three decades and has become a veryuseful tool for many different field like, Manufacturing, designing, engineering and also for scientist and researcher etc.3 D printer involves additive,layer by layer approach while in conventional manufacturing process involves subtractive approach that is comprise of forging, bending, cutting, grinding, welding, molding, and dissembling. There is also innovation has taken place as regards to Bio printing which leads to fabrication of biological/human life sciences product ranging from Bone,vascular,cartilage tissue,skin,elbows knees etc through rapid prototyping,it will be very much possible to manufacture customize tissues and human organs which may be replaced defective one.

A comprehensive study has been carried out comparing traditional production Process with new approach of additive manufacturing which is versatile and rapid method resulting into reduce energy,eliminate waste,minimize materials,maximize usage of material drastically cost reduction and ultimately compressed supply chain.

Key words use:—

Dimensionally, Comprehensive, compressed, Innovative, Bio printing, customize prototype.

Introduction- The inception of 3D printing is estimated since 1977 when the inject printer was invented. During 1980 to 1985 the inject concept morphed the technology printing with ink to printing with material subsequent to decade early 90 to early 91 variety of application were developed across several industries mainly in USA ,UK and Europe.

Around 1984 Charles hull and co-founder of 3D system invented stereo lithography a printing process through which it was possible to create 3D object from digital data.

1990to 1992- 1st machine produced by 3d system was SLA(stereo lithographic apparatus)the machine provide alaser solidifying photo polymer a liquid with viscosity with colour of honey that makes 3D parts atom by atom,however it was imperfect but machine proves that highly complexed nature part can be manufactured over night.

Revolutionary steps towards medicine.

In the early decade of 2000 was thrilling because 3D printed organs implanted in human.Scientist at wake forest institute for regenerative medicine printed synthetic scaffolds of human bladder and coated with the cells of human patients the there was no risk that immune system will reject them as they were made of their own cells.In 2002 a working 3d kidney was developed by the Wake forest institute for regenerative medicine,their main objective is to print human organs and tissue through 3D system, in 2006 the(Selective laser Sintering)machine wasintroduced, which wasvery useful and viable.This was the major breakthrough by virtue of this unprecedented technology has opened the door to mass customization.In the same year a machine was created which was capable to print in multi- materials including polymers.

In 2011 This was the fruitful years for the jewelry designer it was a very new and low cost manufacturing option,It became the first choice world wide.

During 2012 Doctors and engineer in collaborated efforts they were able to manufacture of 3 Dimensional prosthetic lower jaws of 84 years old women in Netherlands and subsequently it was implanted successfully.

May be a organization has the strongest supply chain even though must be having some weaklinks, may be more concentrate on up stream with small scale manufacturer than u may find some quality issue with the supplier or downstream than u must be facing some problems with retailers having getting final products into end user's hands on time.Either way u have to forge some alternatives,the ultimate solution is additive manufacturing. In last two decades AM moved rapidly and far beyond as it was considered earlier only for prototyping.Now AM is becoming increasingly valuable in Industries,

You may consider the situation a low demand part is needed and OEM is a overseas supplier how u will manage with the supplier,he may not be able to supply u the few items with in short span of time, you cannot wait for a longer time to get the item from abroad. Presently with the advent of AM technology it is very much possible to fabricate a new part with 3D Printer through 3D designimmediately. Few bigcorporates which were facing the unpredicted situation like this earlier, specially in critical spares parts.Few Govt PSU have adopted this technology to get the design ready for spares part as well as some others forecasted critical parts may required by customers with short notice, it can be manufacturedImmediately and barely pause in productivity is possible.

There are five phases to understand the entire process right from beginning to-Implementation stages of Additive manufacturing:-

PHASE 1 COUNTERPOISE STAGE

1. What is the vital strategical importance
   Performance
   Value driver
   Profit with cost focused only

Enabling Technology

   A. Rapid Prototyping
   B. 3 dimensional design.
   C. Low rate production.
   D. No change over
   E. Production custom tooling

PHASE.2 SUPPLY CHAIN EVOLUTION STAGE

2. What is the strategical importance
   Performance
1. Value driver—
   Cost focus –
   time consumption-Profit.

Enabling Technology

a. Manufacturing closer to point of use
b. Better management of demand prediction.
c. Drastic reduction in inventory
1. Work in process inventory
2. Inwards goods Inventory
3. Semi finished inventory
4. Holding stores inventory

PHASE 3 PRODUCT EVALUATION STAGES

What is vital strategical importance

Performance only

Value driver

A. Balance of profit.
B. Avoid Risk.
C. Save Time

Enabling technology

1. Complexity does not incur cost.
2. Product Functionality Increased drastically.
3. Customization as customer wants, not additional cost.

PHASE 4. BUSINESS MODEL EVOLUTION STAGES

What is vital strategic Importance-

A. growth.
B. Innovation.
C. Research and analyses.
   Value driver.
   Profit with revenue comparison.
   Superb risk management.

Enabling technology.

Ø Customer empowerment.
Ø Pont to point supply chain.
Ø Manufacturing at the customer end.
Ø Supplier to - Buyer - Buyer to - customer.

PHASE 5 IMPLEMENTATION STAGE

Value driver.

Focus on cost.

Elimination of waste

Ø Time saving
Ø Inventory carrying cost is very less
Ø No logistics cost

BUY-FLY RATIO This above term has been originated from aerospace industry that describes how much material is wasted in manufacturing process. We can calculate the BTF ratio, for example weight of raw material divided by the weight of final component. It is always seen in traditional manufacturing where no's of operations are more like Machining, milling, grinding, welding, cutting etc the BTF ratio is often higher than10.0 which means that less than 10% of the raw materials remains in the final products more than 90% is scrapped. Many of expertise of AM proponent that the BTF ratio is just close to 1.0 in AM technology, by virtue of that AM powder can be used over and over again, and no wastage of material.

Hence before going to implement the AM technology in your organization you have to look at the total cost of the product as well as total life cycle time. Keeping in mind all the facts and figures, it has become mandatory at the part of the organization to analyze the BTF ratio comparing both the manufacturing before adopting AM technology.

We have to use the research literature and others used cases to explore how the companies are using AM to improve performance in their supply chain process following the ways appended below.

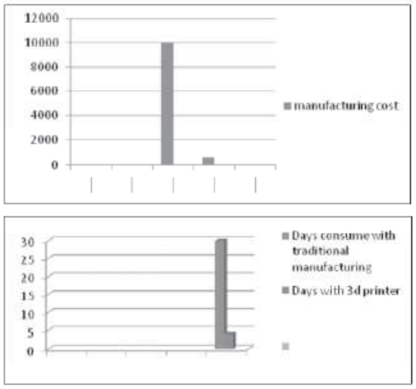

Fig. 1: Reduction of manufacturing cost, and build time of object consume in 3D printing as compared to the traditional manufacturing techniques.

1. DRASTICALLY REDUCTION IN RAW MATERIALS INPUT.

AM offers higher performing design,which are not possible in the conventional manufacturing where Raw materials input is needed more in production and closely tied to product design complexity.Additive manufacturing attenuates the appropriate link between design complexity and materials need and helps the organization to adopt leaner manufacturing for making improvement in design quality.

Lock head Martin corporation is an American global aerospace,defense,security and advanced technologies company recently demonstrated how Additive manufacturing process dramatically reduce the materials input required for a component which was to be used in the aerospace company,the components was of high value materials such as titanium alloy by using the AM technology the company has reduced the buy to fly ratio on a earmarked component was" bleed air –leak detect" traditionally machined through subtractive manufacturing with a buy to fly ratio of 33:1 meaning that 33 pounds of raw materials is required to create one pound machined part.This particular company has used AM technology and bring this ratio down to closely 1:1 by reducing total cost of the earmarked component by over 50%. One of the major aircraft manufacturer is conducting experiments comparing AM technology verses Conventional Manufacturing, in case of conventional manufacturing the CNC machining which generate waste of 80 to 90% of costly aerospace aluminum in to scrap Bogue, R. (2013) 3 D Printing and waste eliminations of removing materialsthrough subtractive operations.

2. SIMPLIFY PRODUCTION STEPS - LEADS TO COST REDUCTION.

Through AM,manufacturers are enable to alter their production process and simplify supply chain by reducing the production steps.AM can do this by giving the designers ability to redesign the parts to take the advantage of consolidate two to three steps together. This can have major impact on supply chain resulting in to reduce the labor input,tooling cost,and WIP.

Fewer process will require fewer labor and fewer raw materials, European researcher conducted a study on LED lamp they examine the production factors how AM may be advantageous to keep in mind including workers/labor and materials input cost while on the other hand the earlier injection manufacturing process of traditional manufacturing Researcher eventually found that AM was able to produce the product by redesigning into single piece, the huge cost was saved.Britch.Nel,T.Urry,J.,Cook,C.andCurry,A.(2013).During conventional manufacturing the product cost was $0.35 per part equating at high volumes to $8.8% of the total part cost while through AM the cost was reduced to 66% to $0.12 per part.

3. THROUGH MAKING STRATEGIC CONTINGENCY PLAN TO AVOID A RISK OF STOCK OUT SITUATION.

When both the technologies are used in concurrence.The AM can be more benefitted by way of reducing supply chain risk. The use of AM may be for back-up capacity.This kind of system is more flexible and enough to work on short notice if urgent situation is arised AM without adding extra cost different parts in different circumstances can be produced.AM system ensures that the functionality will match those parts which are produced conventionally there for,production and quality will not suffer in emergency situation.

4. SUPPLY CHAIN NETWORK BE REDESIGNED TO A VIBRANT DECENTRALIZED AND DISTRIBUTED MANUFACTURING NETWORK.

This will be more dramatic impact on supply chain to meet customers need in better way. When there is distributed production on demand,fabricating object at near to the point of use may leads to reduction in inventory,significantly reduction in lead time,reduction in dependency on forecast accuracy. These benefits aroused because of 1.On demand distributed production without increasing cost.2.Transportation is not required much.3.Customs is not required,octerie, taxes associated with logistics shall not be required.

Through AM distributed production system seller's controlled means of production might be eliminated. In this kind of situationconsumers could purchase access to design and produce goods at his own premises.It is estimated consumers might saved 70 to 80% of purchase cost.The US navy is experimenting with using AM to improve supply chain performance by producing spare parts while at sea.

5. IMPROVE PROCESS-REACT FASTER.

There are two ways how the AM can improve supply chain process flexibility.

1. Reduce time and resources necessary to design and develop new products.Such type of compression in product development lead time and corresponding decrease in cost encourage company react more rapidly to changing market trend/preferences.
2. Reduce time and resources needed to change over production resource from one product to another.

There is fierce completion in automobile sector.One of the luxury car manufacturer has used the AM to shorten the product design cycle time during its product development stage and respond rapidly to market changing. During developing airman-field for the car engine. The company was experimenting through multiple design iteration and produce 20 prototype the lead time was one day per manifold,because of AM process there was no need of tooling on the bases of using AM the car company estimates the product development cycle has shrunken by 50% from 15 months to 7.5 months.

One of the renowned air craft manufacturing company has also carried out a study on how to improve supply chain flexibility by applying AM to shorten lead time to customer.

A boing airliner contains around 4 million parts,and the relative infrequency with which some parts are replaced.The company has experiences great fluctuation in customers demand, few parts are required for perpetual maintenance other do not.It was very difficult to predict accurately how much inventory to manage in odd situation. The company has established a decentralized rapid manufacturing center using AM and succeed to replace the warehouse space used to store low inventory, sporadically needed components and associated tooling and gained the following benefits

1. Decreased tooling cost
2. Reduced lead time.
3. Reduced inventory cost.

CONCLUSION : In this article, I have presented the concept and history, how it has evolved during last three decades. I have explained the AM in encapsulated way including the comparison chart cost and manufacturing time with the convectional manufacturing.

The additive Manufacturing is one of the very effective and efficient technology among other existing technologies which may transform the Business by 2030.The potentiality of this technology is cost effective, environmentfriendly, veryuseful for aerospace industries, medical sciences, automotive and pivotal importance for prototyping. This technology has potential in all walk of life in manufacturing segment.It may proved to be the best for enhancing the supply chaincapability. Its impact may be on simplify production process, drastically reduce waste as compare to traditional manufacturing, reduced cost to ultimate product.

The AM may replace the(Subtractive)manufacturing pattern in the years to come. The additive manufacturing has the potential to enable

The AM technology is revolutionary steps which may reshape the world as it is very exciting technology with substantial cost saving, drastically reduce the production steps, eliminate the risk of supply chain of stock out situation shorten the customer lead time design flexibility, eliminate waste&eco friendly. The technology has improved the whole status of manufacturing in different application. Like medical science, aviation, aerospace, biotechnology space research etc.

Higher performing supply chain leaders are already using AM. Some companies may realize the benefits of AM with in the boundaries of supply chain structures while others will use the technology to rethink and revamp much about the way they go to market.

AM technology represent a potential area which is of paramount importance are human life science, aero space, automobiles sector, defense production industry etc.

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1. For a comprehensive look at a broad set of AM opportunities and applications, see the Deloitte University Press collection of “3D Opportunity” articles at www.dupress.com/3d-opportunity.

2. See, for example, Mark Cotteleer, JonathanHoldowsky, and Monica Mahto, The 3Dopportunity primer: The basics of additivemanufacturing, Deloitte University Press,March 6, 2014, http://dupress.com/articles/the-3d-opportunity-primer-the-basics-ofadditive-manufacturing/; Mark Cotteleer,Mark Neier, and Jeff Crane, 3D opportunityin tooling: Additive manufacturing shapesthe world, Deloitte University Press, April 7,2014, http://dupress.com/articles/additivemanufacturing-3d-opportunity-in-tooling/;and Jeff Crane, Ryan Crestani, and MarkCotteleer, 3D opportunity for end-use products:Additive manufacturing builds a betterfuture, Deloitte University Press, October16, 2014, http://dupress.com/articles/3dprinting-end-use-products/?coll=8717.

3. See John Coykendall, Mark Cotteleer, JohnathanHoldowsky, and Monika Mahto,3D opportunity in aerospace and defense:Additive manufacturing takes flight, DeloitteUniversity Press, June 2, 2014, http://dupress.com/articles/additive-manufacturing-3d-opportunity-in-aerospace/.

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CONGRATULATIONS

Life Time Achievement Award *for*

Mr. Bala Iyer

Mr. Balakrishnan Iyer,

Past National President of IIMM was awarded the

"Life Time Achievement Award"

by **Bayer AG Germany.**

This award constituted by Bayer Global Procurement was presented to Mr. Iyer at a ceremony on 12th February 2021 in Mumbai. The award was handed over to him by Bayer South Asia CFO Mr. Rolf Hoffmann.

In the letter from the Bayer Global CPO Mr. Thomas Udesen given along with the award to Mr. Iyer the CPO states.

> "He has demonstrated high professionalism, profound expertise and a great deal of resilience throughout the different phases of every major project he has handled. It is also due to his commitment that huge challenges like essential knowledge transfer to colleagues in other countries or functional units and critical stakeholder engagement have been mastered. He has used his networking within and outside the company to find alternate job opportunities for his team mates.

He has coped with high complexity, collaborated trustfully in teams and across cultural borders, organized numerous tasks efficiently and ultimately helped to achieve sustainable results.

Procurement at Bayer remains deeply grateful for his support. "

Mr. Iyer has been awarded the International Procurement Professional Award by Hannover Milano Fairs in 2013.

He is also a recipient of the "CPO of the Year Award" and the MadhavMantri Indian Procurement Professional of the Year Award" from IIMM.

Mr. Iyer is also a recipient of various other awards from CPO Forum, ISM India and other Professional organizations.

IIMM congratulates Mr. Bala Iyer for this award and wish him all the very best for his professional Career.

INTERVIEW OF SUCCESSFUL WOMAN ENTREPRENEUR

Ms. Purvi Kotak is founder of Kotak Logistics. **Kotak Logistics** is International Freight Forwarder & Custom Clearing Agent is providing Global Logistics Solutions since 2009. Ms. Purvi Kotak is amongst successful women entrepreneur and well known person in the field of Logistics

TAG LINE OF THE COMPANY IS – LET'S MAKE YOU GLOBAL

Excerpts of an interview with Ms. Purvi Kotak. Interview was facilitated by IIMM Ahmedabad Branch

1. Why you decided to do business?

I have worked in this industry for 12 years, and I have felt many times that the service being given to the customer can work well, the way each team is managed, it could be managed better. The team did not have as much freedom to their ability. Their talent was not being given complete exposure.

One day it triggered me that if I have the talent, I can do this job, I am doing so well, I understand it well and have so much experience as well, then I should start the business inthe way I want to give service to the customer, I should plan it in such a way that the whole team is built in a way that mindset of everyone is such that customer is first and customer is right and we are here only because of customer.

2. Why you have started other 2 businesses?

When I started the other two businesses, it had been 5 years already in the business, it was going very well and I was very confident that everything was going smooth, I mean everybody was observing that Purvi is doing good business, everyone used to ask that if they had to start something new, what and how would I do it, as much as I knew I used to share it with everyone, then there was this suggestion that If you join with us, then it would support us and we will be able to do business well. If its helping someone, I was always having that kind of attitude, I started those businesses with that thought and I supported them. Obviously,the main objective was not income, was not meant to earn money, but obviously we give time to anything when we work for anything, then it becomes by-product that you get money and get paid.

3. What was the biggest downfall in business for you and how did you face it?

When starting new businesses, there is excitement and it takes your attention even more, you have to give more time to it.If new things happen, one has to understand that, so in doing all that, somewhere focus from the main business was diverted, because of that the objective with which they started the business, that the customer should not get any problem, he should get an expected service, somewhere that was compromised by the team, because I had no supervision on it, so did not take Corrective Actions, due to which some customers were missed and the image that we had created in 5 years had a lot of effect, it also got realized late. Initially, it seemed like everything was going well, the market was down. Whenever there are problems in the business, it was considered that the market is still going slow, everybody around said the same thing. So, we also thought that yes it was the same, later we realized that everything is fine outside, but something inside is wrong somewhere, which we need to correct, when it was realized, I sat down with my husband who is also my business partner, I discussed with him, we evaluated how we used to work, how it should have worked in the last 5 years, because earlier we had not divided the responsibilities in such organized way, what will be the role of responsibilities and roles, even me and my husband were involved in all the work. We did not get the same results that we should have got, then we divided it, in that way we completely resolved it, because every problem has a solution.

4. How do you manage your personal and professional relationship with your husband with him also being your business partner?

We were doing a good job in the business because of that we got married, so that we don't have any problems later. At times, problem arise, it is not that everything is going smooth, if there is a difference of opinion,like what to do about it , what not to do about it. So anything like that, we resolve on the same day, we never allow it to be discriminated. Differences are fine but discrimination should not occur. And one more secret is that whatever the issue is, if that is discussed exactlyto the point, without going back and forth, no problem ever comes and we have considered this a Guru mantra to livethis life well.

5. How do you manage all three businesses simultaneously?

When the downfall came, I came to know that if I want to work more, if I want to focus in multiple business, then I need a system for each business in place. What would be the role and responsibility of the team? What will be the work that they will do, what result will I get from that and how do we review that result? We fixed these three things. What happened when we set theSOP, I don't have to be involved in every task myself. Just as a musician(conductor), he doesn't play anything himself but he sees who's doing what, and guides. Yes, then I came to the role clearly, I got more time and because of that, it seems thatnot just three, even morebusinesses can be handled simultaneously.

6. Despite being a woman, how do you handle business along with social responsibility? OR in our country, it is difficult to carry social responsibility and business responsibility together for a working woman, so how do you manage it?

Being a women, how do you manage business with social responsibility?

Clarity of communication,I always try to be present, wherever I am needed, if I am not able to stay, then I communicate that thing clearly, I believe that with clarity in communication the relationships stay good. When they are good,their expectations are reasonable too, they know what your challengesare, whenever I leave the house, if I am not happy then I cannot start with my day nicely, it is very important that everything is proper at home.

7. How do you deal with your clients?

As I told you that I had started the business only because the experience of the client in global supply chain can more brilliant. I keep listening, what they are saying, because when they are saying, somewhere in them, their pain, their dissatisfaction or dissatisfaction of their client is discussed, because they want to keep their client happy. So the more I listen to them, the more I understand them. The other thing is that if it is not the fault of the customer, the customer will not be responsible for it, it is the rule of our company.

8. How do you treat your employees?

My employees are my family, I spend my maximum time with them, another thing is that we celebrate even the smallest of success, it's our HR policy, we also have written on the front pageWelcome to the Kotak Family for when someone joins, the policy is shared with them, then there we have used the word, 'family', and whenever I feel anywhere that there is a need to take corrective steps, but because I am emotionally connected to them, when I try to address, it feels bad, because they are connected to me, then at that time I take Viraj's (my partner's) help.

9. How do you face challenging times in life?

Whenever there are hard times, the challengesthat I have, I just have, I cannot change that but what best can I do, I take the same decision every time thinking how can I do it, how can I do it, rather than why I can't. Because if I think why I can't, then I will get the same reasons that I cannot, because I cannot and when I take how can I as positive approach then it becomes challenge for me, I become that one for me, yes I have to do this, I have to do it this way, so how can I do it well, how can I prove myself.

10. What is your vision for the future of your business?

For my first business that I started, by 2030 I want to make my company a 100cr company, over period of time, another thing, a part of it is, I want to build a corporate house which has a full glass wall on top floor.It is my vision, that I archived it since 1996. I was in the second year of college when I had seen that picture. I seemyself in that photo.

11. Few tips for entrepreneurs or startup businesses

I have to find the right mentors for it, who would guide me, who would help me when I get established even in business, then there will be people who are ahead of me or who will be able to help me or who will be able to ask me Why did you do this Purvi, Why did you do this. So until I have no one to ask, I will feel that yes what I did was right, if when I get this feeling, that what I did was right, then there is no scope for improvement, so if I have a mentor, then they will continue to improve me and my growth. So the tip is,you must have a mentor and that can question you, and they should have that authority of asking you questions and you shouldn't mind over why he asked me this.

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SUPPLY CHAIN – AN HR PERSPECTIVE

DR.MANISHA AGARWAL

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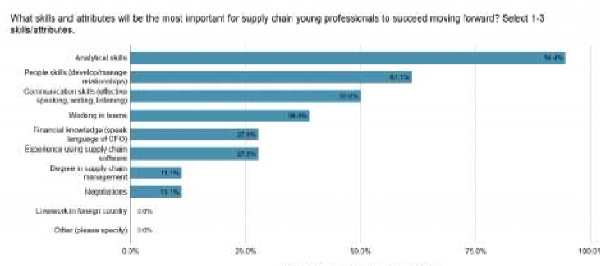
The global Procurement & Supply profession is rapidly changing due to pandemic digital technologies advancement, supply chains diversity. The management of goods and services continues to evolve. With these changes, it is important to have the right people equipped with the right skills to deliver the best in supply chain function.

Successful organisations recognize the importance of this aspect that it is not only the systems and processes which work for the successful delivery of goods and services but to a great extent the human aspect is also involved. Now the question and curiosity arise as to what skills and attributes will be important for supply chain professionals to succeed in moving forward?

Indago research community did a survey in 2019 on this aspect including 18 supply chain and logistics executives,4 Directors and 22 Senior professionals from B2B+ companies in Food & Beverage, Retail, Consumer Goods, Automotive, etc.

Here are the results from the survey:



Source: Indago, April 2019 survey (n = 44)

Analytical skills were the clear winner, selected by 94% of the respondents. People skills (61%) and Communication skills (50%) rounded out the top three.

Here are a few comments submitted by the respondents:

"Supply chain requires a high level of analytical skills coupled with an ability to build effective working relationships. Logistics and supply chain are a service business. Familiarity with supply chain software is important for professionals [who are] the heavy users of the systems."

"At the end of the day, developing great communication and people skills are key. In my role (VP level) I must communicate from the plant floor to have the information. If the message is not communicated effectively and clearly, then we might miss our goals or targets. People skills are also key. Developing relationships with vendors, customers, partners, will never be supplemented by technology."

"What I do most is analyze data and present that information to others so that the company can improve the business. Having the ability to dig deep into the data and building relationships with other stakeholders is extremely important. When suggesting changes to the company having a deep knowledge of what changes affect which part of the company's financial statements is equally important for buy in."

The FCCI group in a virtual conference 2020 also discussed this issue and found that many leadership attributes are important, but the one that was viewed as the most important was **the ability to develop, manage, and grow positive and productive relationships** with peers, customers, suppliers, and partners. Again, the results above reaffirm the importance of people and communication skills.

Surprising fact most about the survey results? How low is having a degree in supply chain management ranked (only 11% of the respondents selected it as an important attribute). It appears that the ideal degree, based on the feedback received, is a Data Scientist major with a minor in communications and relationship management (if such a degree exists).

This whole research leads to the construction of focusing on second most important aspect and that is having people skills. We can divide this people skills in two parts i.e.,interpersonal relationships and influencing skills.

If a list is made of people who are successful, the probability is that these persons have a characteristic of influencing others easily. This whole approach leads them to achieve success at a much faster pace, be it social or professional network.

Art of influencing is their capability. Let us explore what is this all about? When the person whom we want to influence is in the logical mode it is usually not possible to influence. When you try to convince somebody with the logical mindset, he/she will give you counter logic, one after another to contest your point.

The logical plane will not allow the other person to believe anything which is either in his favor or influencer's favor. So, to convince somebody a shift of his mind from logical mode to receptive mode is required. To bring somebody to receptive mode influencer needs to develop a relationship with emotional connect.

Everyone is born with some psychological needs. Desire to be loved, receive appreciation, care, receive, attention and get respect, by the people around them.

We always do a lot of small acts that fulfil the desires in some way or another. The small act of caring, loving, respect creates an emotional bridge with another person. This emotional bridge helps you to bring a person to receptive mode.

Now what kind of care we can show in our professional world. Love, care emotions are for families and friends is a general notion, but we can adopt it in our professional environment too. Spend some qualities time with your junior not like a meeting but understanding their aspirations, desires, how do they want to grow in life. Show some concerns about their family members, understand how they are raising their kinds. Remember, interaction communication(Meetings , Instructions) will never build relations .Connection communications builds relations.

After understanding this aspect at a knowledge level, doing things for the sake of building relations like talking, meeting, giving attention to bridge the gap of emotional connectivity will most likely not work.

Doing for the sake of doing and coming naturally from the heart is what every person understands. Caring, loving, respecting in terms of doing will be incomplete and 'acting'. Acting does not have that energy to bring the desired results. The first condition for emotional connect is to have the feelings naturally coming from an influencer.

This emotional bridge is not easily built for all people and that is why only a few people or team members are influenced and many are out of this influence circle. To enhance the influence circle of people, 'acting' will not work. People understand this 'acting' instantly and instinctively and chances are high not to succeed in the art of influencing. An influencer can change this by accepting the person in the same way he or she is. The irony is usually acceptance is only for few people because of influencer's own nature, what can be called as "people like people like them". Behavior, thinking patterns, habits match to an influencer is in his/her favorite list and for the rest criticisms, fault finding, and negativity is left out.

Now the higher the level of acceptance, the more influencer will be able to accept people the way they are. To increase the level of acceptance he needs to find that lot of things are already accepted by him in some way or the other be it the nature of fire or ice, acceptance is there, no resistance is there. Talking about things, things do not create logic in an influencer.

In animal world also elephant never complains why it differs from rabbit or lion. In fact, nature also has not made any two things similar. No two leaves of a tree are similar. In fact, each stone is different from the other, there are no two exact same stones in nature. Everyone understands their properties and accept them as they are.

Again, when it comes to human beings, we need to understand that every human being comes with a microchip, having an inborn nature from birth.

Some are introvert some are extrovert; some are too emotional; some are logical. It is usually not easy to change the complete basic nature of a person. Everyone comes with the level of understanding in this world and progresses with his understanding at its own pace. The person will respond and behave in the same manner as per his understanding and he expects that he/she should be accepted the way he/she is. If an influencer can understand this aspect of human personality, then he will be able to build an emotional connect. Whether a person's nature matches to somebody or like somebody is not the concern but to accept and understand the person as the person is more important.

Art of influencing starts from here, now if the person is accepted with his/her current level of understanding and his behavior then influencer can build a connect; now feelings for that person will flow naturally from the influencer. Acceptance itself brings a lot of change in influencer's perspective and concern Communication, attention and respect will naturally flow from the influencer and which are psychological needs of that person. No artificial or sarcastic acts will be posed by the influencer and that person will also understand the instincts of an influencer. Now the person will slowly shift from the logical mode to emotional mode. He /she will develop an understanding of what influencer is saying and here an influencer gets an opportunity to improve the person's understanding and personality. This can be applied in professional relationships.

Interpersonal relations will always improve if.

- You spend time with the person, here spending time does not means that you scold, teach, or give instructions but all about care concern and attention to his/her.Let the person talk on the subject he/she prefers.
- Share or exchange something he /she values ,here I do not mean to exchange some expensive gifts . Despite that remember their marriage and birthdays. Add growth by sharing some article, course, or e-book.
- Share some common interest with the person you want to establish some interpersonal relationship. He/she might be sharing some common interest like hobbies, learning ,growth aspects with you which can help you to spend some time together or exchange some information on the same.

Be it your vendor, supplier or any stakeholder or your next services partner in supply chainsystem with whom you are exchanging product or services Relations that too healthy are very essential for smooth performance, we all know this fact .

Let us more a step forward to adopt some wise steps to see some fruitful results in our lives be it professional or personal.

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STRATEGIC SOURCING FOR VALUE ADDITION AND PROFITABILITY

C K KUMARAVEL, CPM, LIFE MEMBER IIMM CHENNAI

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Strategic Sourcing is an important organizational strategy that contributes towards topline and bottom-line growth and long term competitive advantage & value addition to organizations and their supply chains. It helps to tap and utilize engineering & technological strengths and project management capabilities of critical suppliers and contractors to add value and profitability to all the entities that make up the supply chain.

Strategic sourcing and supply chain strategy needs to be conceived and formulated properly so that it is well integrated with the organization's business objectives and strategy. This helps to weather the downswings in business cycles, boom & bust periods etc., contributing towards long term performances and competitive advantages.This improves revenue growth, profitability, risk mitigation, product and service variety and availability, agility & flexibility of companies irrespective of the challenges faced by different industrial sectors. Leveraging strengths of the supply chains through strategic sourcing helps to improve resource efficiencies, shorten lead times, avoid or reduce supply chain pollution and waste levels and improve product and service quality and performance levels.

Strategic Sourcing can be structured into 4 phases which are described below:

Requirements & Specifications: The material or service requirement plus deliverables need to be adequately and precisely described and documented in Scope of works i.e. SOW or Service level agreement i.e. SLA. This could be functional specification with product designs & drawings or performance specification with service and labour – hour requirements, including quality, productivity, environmental, safety and testing& acceptance criteria. Techniques like Quality function deployment, Value engineering/analysis, Root cause analysis, CAD / CAE, Failure mode effects analysis etc... maybe deployed suitably to get this phase right. This will help to minimize engineering and contractual changes down the line and optimize & improve constructability, manufacturability, quality, safety, durability, cost& price, ease of sourcing etc...

Sourcing: This phase can be started by carrying out a thorough Spend analysis covering all material and service categories purchased by the organization under Capex & Opex categories or Direct & Indirect categories. The Spend analysis when completed throws light on overspend areas with potential for cost savings and technology improvements. Then the supply base needs to be optimized by pre-qualifying additional global or local sources and devising right contract & procurement strategy for each category or commodity class. Some suppliers may have to be dropped at this stage. Multi – source or single source decisions, sourcing decisions for bottleneck products, buying direct or through intermediaries, buying local vs global, purchasing through e-commerce, reverse auctions and other such strategic sourcing steps need to be considered at this stage. This helps to get right sized supply base with right capacities & capabilities matched to organizational goals and business objectives that enhance business growth and competitive advantage.

Pricing:'Should-Cost'price analysis or 'Bottom-up' price analysis technique helps to arrive at cost and price estimation for materials and services based on engineering designs or bills of materials / quantities and these need to be compared against the supplier or contractor proposals to identify negotiation areas to drive down prices and also to identify responsive and capable bidders. In the case of many purchases and acquisitions, suppliers are required to maintain transparency in their cost structures and have open book policies where cost savings can be shared between purchaser and seller or the compensation arrangement of the contract or supply agreement can be structured to be fair to both the parties with right Liquidated damages or Incentive / Award fee. This will ensure that sellers do not go out of business due to lopsided contracts and buyers are not stuck with incomplete projects with indefinite cost escalations and schedule delays.

Contract Administration: This phase is not considered part of the strategic sourcing process but to realize the advantages planned in supply planning & sourcing phases fully, contract administration inclusive of expediting, progress performance monitoring and control, risk and delay avoidance & mitigation, inspection and acceptance at source or at customer end, right payments, constructability and manufacturability reviews, prompt supplier submittal and change proposal review and approval, prompt mobilization and de-mobilization of resources, resource & cost monitoring and control, contract closeout and other related steps need to be carried out in prompt and correct way.

As is evident from the above, strategic sourcing philosophy and methodology when applied fully and properly can help transform organizations & their supply chains towards excellence and help them become more agile in meeting market demands, enhancing competitive advantages and resource efficiencies.

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INVENTORY MANAGEMENT FUELS SUPPLY CHAIN OPTIMIZATION:

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Supply chain lack the transparency in inventory management, as this creates the supply chain risk, leading to impact, of disruption, without clear transparency or understanding of inventory, none of the other parts of the supply chain, can operate at their fullest potential in supply chain.

Supply chain struggle to deploy inventory management, for right quantity, right location, right time, is how to react to unplanned events, uncertainty of demand, all of which may create excess, deficient inventory, speculative ordering, optimizing in supply chain.

In inventory management the best way to utilize, data in an accurate manner at all stages of inventory, of supply chain. Supply chain data is required for all vital activities, like forecasting, safety, storage, replenishment, planning, buying at peak periods in supply chain.

Inventory management is to know the availability in the warehouse, tracking, organizing of the goods from the supplier, the manufacturing process, requirement of customers, thus holding too much inventory, which leads to obsolete inventory management, with capital locked up in inventory management, by working up to sales orders, due out of stock, with the non-availability to serve the customers in supply chain.

Inventory management places visibilities in items across all channels of the organization, ensuring right items, are available at right time, right place. Inventory management is always of a great concern in supply chain of the purchase department or procurement, as it is considered to be the centralized to the success of the entire supply chain, from demand planning to customer service., also optimizing supply chain.

Supply chain should create central platform for data communication, across the entire supply chain, by storing information on a centralized data base giving important changes to inventory management, orders, by promoting the best optimization in supply chain.

Supply chain planning, is to generate supply chain decisions, including warehouse supply chain, transportationin supply chain. Supply chain implementing variability, in planning, supply chain scheduling,which renders the process of planning, processes determining supply chain, decisions as ineffective. Supply chain possibility to cover safety stock to withstand any uncertainties, include supply chain scheduling process, which considers uncertainties, to stimulate, and optimize supply chain.

Supply chain in order to establish, the goal to deliver the products, to customer at lowest cost, with high profit, in order to meet the goals, also in order to manage costs of manufacturing, inventory management, transportation, fulfillment of customer service in order to optimizeinventory management supply chain.

Supply chain complexity involved in optimization, in business activity, that might consider a configuration, is currently the best mix of cost, service, that may change over a time, in supply chain. Supply chain fluctuation in materials costs, fuels the changes in transportation costs, inventory management costs, which can also change the customer's factors on optimization change in supply chain.

Supply chain optimization on merger, acquisition, when there is a financial constraint in supply chain, with transportation costs high, service levels low, supplies expand to meet the changing needs or expectation in supply chain, as it is beginning to grow in the response to the present e-commerce demand, having led the organization, to direct sales, capable with integrating, leading to higher cost, fragmentation in management with inventory management, bringing optimization in supply chain.

Supply chain optimization starts with analysis based on forecast, followed by development, production, inventory management, to meet the forecast, as this may include raw materials, components, manufacturing, transportation, distribution, also examining the possibilities through integration, through e-commerce, thus optimizing e-commerce inventory management in supply chain.

Inventory management being effective gives a visibility to items, from supplier point of view, purchase order, also to the customer order in supply chain. When an item is received in the stores or warehouse, checked, verified, specification, quality, confirmed to be qualified, should support the inventory management system, as this constitutes a daily function in inventory management system. Inventory management system should also confirm location, grouped; manage movement forward, forth so as to carry out the operation. Inventory management should introduce systems like cycle counting, perpetual inventory system, so as to trace backward, forward of items, to be traced as per the supplier orders, ultimately customer's orders, are fulfilled in supply chain. Supply chain should adopt a pricing strategy, ensuring expiry products are used to fulfill customer's orders in order to optimize supply chain.

Supply chain inventory management planning, warehouse operations, in a single location, will be considered as different to managing in multiple location, as it become challenging, without a right system in place, considering the visibility in movement, as the necessity to operate each warehouse on a standalone basis, with sufficient inventory management systems thus optimizing supply chain.

Inventory cost is considered to be a significant component of total logistic cost, in an organization, inventory levels that a firm maintains at certain points in logistic with effect levels of service can provide a optimization to the customers in supply chain.

Inventory effective management, inventory planning, provide an insight for demand, including seasonal promotional during the periods, provide forecasting optimizing inventory levels in supply chain.

Vendor management is the right inventory management, in business, can track where vendors source components, raw materials, improving vendor management, enhancing vendor to maintain proper record or score card in supply chain. Vendor management in order to minimize the risk, in supply chain, many of the organization, source the same product from multiple vendors, to reduce the effect of major disruption, if it is considered that one vendor is unable to supply, or unable to fulfill the considered order, the reaction of the change in business, or if the order is liable to increase in the respective size, the liability of the vendor, eliminates the disruption, production will ultimately occur, the product availability will be entrusted to optimize the problem in supply chain.

Inventory management in supply chain especially considered for manufacturing, wholesalers, retailers, as it becomes an objective to reduce inventory, at the period of time in supply chain.

Supply chain without inventory management system in place, may not be available to make way for components, raw materials, as this would substantiate the vendor with less orders, that has been received, so that components thus received should be identified, for quality, reasons for rejection, so as to recall necessary action with vendors, setting the time frame for replacement, of the faulty components, raw materials, so as to replenish the inventory management to optimize in supply chain.

Inventory management can hold vendor responsible for quality, of the products, components, beyond receipt, inspection, for the products in supply chain, as it acts as a vital for development of good vendor, proactively in manufacturing activities, as vendors relatively are considered as multiple vendors, in supplying components, parts, materials, as existing vendors in supply chain. In order to track the materials supplied, also if any reversal logistic has existed, it is necessary for the vendor to assess the quality, so as to ultimately lead to optimize a better reliable supply chain.

Supply chain inventory management, using a lot of meaningful specialized tracking system, to trace the backward supply of products from vendors, can give the visibility importance for each of the components, parts, spares, as well as customers receiving the components, trace, the visibility to reduce waste, operating costs, thus bringing optimization in supply chain.

Production to maintain inventory management, can improve the production status, with expected available data, based on real-time inventory management, to ensure that the product is available for production, as per schedule, in supply chain.Warehouse inventory management, is the most of key requirement, is about the defining the amount of space required, capacity, planning for materials, parts, spares, stock items in supply chain. Order fulfillment is the next requirement of right inventory system of fulfilling the order quantity, quickly, accurately, also the exact time, is also available in warehouse, before ordering, can also optimize picking, packing process based on location in supply chain. Quality is considered a inventory management, as they should link products based on components, raw materials, consumables enabling business to identify, rectify quality, issues as faster for better customer service, the right inventory practices, can provide the right order status supply, the return exchange process in supply chain.

Demand planning in inventory management is considered as an important part in supply chain, to ensure the right items, available at the right time, place, with the knowledge of available of good data in supply chain. Inventory management providing a real-time view on management of inventory, quantities, location, status, does create a good demand planning in supply chain, with accurate inventory, demand planning management to manage the optimization in supply chain.

Supply chain utilizing material availability, status, shortage, reports, better within the inventory system, allowing to predict the materials availability in inventory management, thus schedule production, to also ascertain nothing that in production is hampered, according to the plan envisaged in supply chain, in accordance with the plan, as unexpected delays, shortages, can cause delay in production plans, resources, machinery breakdown, labor shortage on jobs, that are to be completed in supply chain. Supply chain inventory management updates the inventory management records, which becomes unavoidable, thus optimizing the production in supply chain.

Supply chain inventory management updates the inventory records, fulfilling the obligation, in real-time, enabling to proactively to adjust to production schedules, in supply chain.. Supply chain inventory management, should confirm the completion of the work order, as per the requirement of the customer's order, able to delivery to the consumer,customers with optimizing inventory management in supply chain.

Supply chain should confirm the completion of the schedule work order, producing multiple products, by producing, or using different products, components, parts, allocated to specific work order, able to complete the production of the finished goods, deliver the products, to customer, consumers, with optimizing inventory management of different products in supply chain.

Inventory management system can help with fulfillment, by providing visibility to the quality, the location, across all sites, including the retail sector, the organization, to execute a cross channel fulfillment, with direct shipping from the warehouse, by consolidating the picking, thus optimizing the picking system, so as to consolidate multiple areas of picking, thus expediting the inventory management system, once the order has been sent to fulfill inventory management.

Inventory management also helps organizations, to smarter inventory management (helps to control costs using data software,) in supply chain, with Warehouse details, Quick Response codes, Bar codes, alphanumeric, label materials, label placement, radio-frequency identification, used to fulfill customers orders, allowed inventory to be tracked, know the expire date, so as to fulfill the customers orders optimizing inventory management in supply chain.

Inventory management enables to identify components, spare parts, raw materials, finished products, by production, if any unwanted production issues are identified in supply chain, if specification, quality, not as per specification, the updating inventory management, checking quality of products, back track the correct specification, disposition of inventory, scrap, re-work, is necessary fulfill inventory management, to optimize supply chain.

Inventory management, makes production cycle efficient, schedule production, based on available inventory, responding to re-work, scrap, wastage, in supply chain. Inventory management system is limited to components, parts, spares, materials, to finished goods, customer's orders, in supply chain, as it becomes difficult to track quality control issues, hold suppliers accountable, provide an exception to empower customer service responses accurately, inventory management records, order status exchange, returns so as to optimize inventory management, in supply chain.

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LEARNINGS FROM THE YEAR GONE BY TO TRANSFORM LOGISTICS FOR BUSINESS, PEOPLE AND THE ENVIRONMENT

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Learnings from the year gone by to transform logistics for business, people and the environment

Logistics is a key element of business operations and among the vital pillars of any nation's economy. Over the past decade, its evolution has been shaped and accelerated, to a great extent, by the rise of e-commerce and online business models. To keep pace with these changes, logistics companies have been transforming their traditional modes of operation to ones that are enabled by technology. It was amidst this period of transformation that the COVID-19 pandemic struck, upending the functioning of all industries and leading to labour shortages, cargo capacity challenges, manufacturing slowdown, order delays, and demand and supply shocks. However, there are some positives that emerged even amidst the disruption, and the transformation journey for logistics companies now factors some of the realizations and changes that the pandemic yielded.

The immediate and the continuing impact of the pandemic on logistics players

The lockdown was the most difficult period of the pandemic from a business perspective. Consumer spends dropped dramatically. The demand for transportation dropped concurrently and was limited only to "essential" items and services. Logistics companies couldn't afford to operate normally; consequently, as loads decreased, costs increased.

Meanwhile, the migration of workers to their hometowns caused an acute shortage of labour, which, in turn, increased the costs for logistics companies as they sought alternative resources. The demand of workers for steady wages and benefits added to the worries of logistics providers, as did the expectations from customers to bring down costs as the latter continued to bear heavy overheads amidst a period of near-zero revenues.

Even as the lockdown eased and revival of consumption began, social distancing, sanitization and hygiene continued to remain the top priority for businesses and consumers alike – and will presumably continue to be so, well into the future. Ensuring that all the requirements in this direction are met involves an additional cost for logistics players.

Enhancing or transforming logistics operations to address customer and business needs

Ecommerce came to the fore as the preferred mode of shopping for many during the pandemic, and it continues to gain in popularity as consumers seek the convenience and safety of having their purchases delivered to their doorstep. Not only are the ecommerce shipment volumes growing, but the profile of the goods being shipped is changing too. An increasing number of consumers are ordering large, high-value products online, and logistics companies are having to make adjustments, accordingly, to their operations and facilities.

Moreover, logistics providers are now prioritizing safety and hygiene for all their employees, partners, and stakeholders, right from warehouse workers to the consumers, and everyone in between. Deliveries have become safer and, wherever possible, contactless. Drones can serve this purpose very well too, but their use depends to a great degree on the law of the land. The number of touchpoints for a product through the entire supply chain is being minimized. As we move forward, all systems and processes that can be automated, should be. The use of e-dockets and e-billing should be encouraged by both logistics players as well as their customers in the interest of reducing contact and improving record-keeping.

Logistics companies are also, in a bid to maintain and sharpen their competitive in a digital world, are transforming their traditional setups into IT-and-technology-integrated operations to improve efficiencies, reduce costs, and deliver greater customer satisfaction. Towards, this end, the “soft” infrastructure, which includes such as training and policy framework, has become as important as the physical and digital infrastructure.

Opportunities for better growth and efficiencies in the industry

The restrictions imposed on movement during the lockdown, and the difficulties that they posed, were eye-openers for the industry. As a measure to try and ensure uninterrupted operations with fewer hindrances should such situations arise again in future, logistics companies should consider moving their supply chains closer to the customer. Instead of investing in a few, large warehouses, it might be a better idea to have more, smaller warehouses and storage facilities that are closer to the key markets and can quickly supply goods. This idea is already gathering momentum, and with e-commerce driving logistics growth since the pandemic began, there is growing demand for temporary warehouses. Logistics players are evaluating retail spaces, and even banquet and marriage halls, for alternative use as warehouses.

Logistics providers are always under pressure to improve delivery density and cost efficiency. This can be achieved, to a considerable extent, by optimizing their operations. The last mile can often account for up to a third of the product cost; hence, optimizing it is essential. Other aspects of logistics – right from planning to execution – should be reconsidered, repurposed and digitized. Many companies employ dashboards today, which provide a complete single-window view of, as well as insights into, production and shipment. Such technologies will become the norm in coming years. The efficiency, timeliness, responsiveness, monitoring and security of on-ground operations can be improved significantly with solutions that employ GPS, biometrics, sensors, and “smart” technologies.

Sustainability is not an option today; it is a necessity for every business. Logistics providers, like all other businesses, will need to consciously work towards lowering their ecological footprint while, at the same time, boosting financial growth, environment care, and the health of society. Fuel-efficient and environmental-friendly vehicles such as electric vehicles and hybrid cars could be one part of the solution. Some of the leading logistics companies, meanwhile, have started using connected technologies to collect and share data in real time to help their fleet drivers reduce fuel consumption and drive safely. There is also software available for calculating the carbon footprint of the fleet, which makes it easier to make decisions while planning routes and loads to make them more efficient and sustainable.

The Government of India, on its part, recognizes the importance of logistics, and has made many decisions over the years, aimed at transforming the sector. Recent among them is the idea of developing multi-modal logistic parks across the country. These parks will improve the country’s logistics sector by lowering freight and warehousing costs and reducing vehicular pollution and congestion. India is expected to have its first such park by the year 2023, in Assam.

India’s logistics sector is shaking off the negatives of the year gone by but taking the positives as it works towards becoming more robust, efficient, and profitable from a business perspective, and safe and friendly for the people and the environment.

Source: www.logisticsinsider.in

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SCM TECHNOLOGY SPREAD- "DRUG" FOR PHARMA INDUSTRY- WHAT? BELIEVE, IT IS ARTIFICIAL INTELLIGENCE (AI)

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INTRODUCTORY THOUGHTS,TO RECKON FIRST :

1. Globally Supply Chain Management,making turnarounds with introduction of various Technologies and one is ARTIFICIAL INTELLIGENCE(AI). The SCM platforms in different industry, are getting controlled,to be at BEST, through AI and Pharma sector / industry is no bar ,especially in the present COVID19 situation, to address all the challenges to keep Supply Chain speed intact.
2. Platforms getting controlled through AI, allows companies to change to lead and screen clinical trials:It's almost difficult to talk about the future of any industry without reference to Artificial Intelligence (AI). Regardless of whether it's retail, health care industry, manufacturing, etc. the discussions about the AI advantages takes top slot in agenda.
3. Today, as many say that Pharma and biotech organizations are increasingly embracing more effective, automated processes that integrate data-driven decisions and utilize predictive analytics tools leading to development of this approach to deal with cutting-edge data analytics to fuse with machine learning and AI.
4. The most discussed issues , predominantly, drug deficiencies, clinical trials, and the opioid epidemic (all within the difficulties of the COVID-19 pandemic). Although these issues appear to be inauspicious, AI is positioned to address all challenges.Some forefront solutions offer extensive AI-controlled platforms, complete with automated information collection and organization, analytics and intellectual AI.
5. Drug recalls- Significant trouble : Adopting application of AI, results in pinpointing , precisely where any contamination or deformity began in the inventory network, thereby allowing teams to address or work around the issue more effectively for better results including monitoring from producer level to patient level without making falling barriers to "patient care ".
6. The advantages of utilizing AI in this manner incorporate quicker research and cross-reference of data, as well as joining and extracting data into usable formats for analysis.Pharma Industry using AI, offering many benefits, an unknown real matter, and few opine that usage is slowcomparatively

UTILIZATION/ APPLICATION OF AI BY PHARMA INDUSTRY:

To have better know how on utilization/ application of AI by Pharma industry , the apt way is to deal-About AI, how it gets applied, how it Transform the Pharma sector, future of AI for Pharma industry,

1. Artificial Intelligence (AI):AI is a field of computer science that is fully concerned with building machines capable of managing tasks that would otherwise require human operators and intelligence. Many popular technologies fall within the portfolio of AI, which includes deep learning, machine learning.
2. AI Transforming the Pharma Industry: Using AI-powered tactics in the Pharma industry means using automated algorithms to handle tedious tasks performed by humans. AI has streamlined and impacted the pharmaceutical industry in many ways, ranging from creating new and better drugs to combating fast-growing diseases./ Very correctly;AI-powered techniques will speed up drug development while reducing costs and risks./
3. The Future of AI for Pharma Industries:While seamlessly using Artificial Intelligence to drive forward drug adherence and discovery, AI has streamlined healthcare procedures. AI is undoubtedly the next big thing for the pharma industry and companies that are flexible to adapt AI-based techniques have a strategic advantage.
4. Research:AI will play a big role in streamlining research on new drugs and medication.
5. Improvement:Apart from developing drugs from scratch, AI will also be heavily integrated into the improvement of existing drugs.
6. Epidemic Prediction/ : Using AI, help to track and predict epidemic outbreaks using all the latest

information ranging from satellite pictures to social information

7. Handling Massive Data :Using AI in clinical operations has made it simpler for healthcare experts to access data for millions of patients and provide seamless treatment. Managing patients' data is now hassle-free through the use of AI.

AI IN PHARMA INDUSTRY-FORESEEN EXCITING USES/ APPLICATIONS IN 2021 AND BEYOND, THROUGH FURTHER RESERCH AND STUDIES :

1) With reference to DataScience (once the components of science fiction), Artificial Intelligence (AI) and Machine Learning (ML) have revolutionized the industry and led to the invention of things like virtual assistants, surgical bots, and much more.According to research studies, Global AI software market is expected to take a very big leap by 2025. Hence, in a data-driven age where companies across all parallels of the industry are adopting Big Data andAI technologies, the pharmaceutical industry is no exception. When it comes to the pharmaceutical industry, AI presents an ocean of untapped opportunities for business transformation. Big Data, along with AI-powered analytics, has brought about a radical shift in the innovation paradigm of the pharma sector.Artificial Intelligence has the potential to foster innovation while simultaneously improving productivity and delivering better outcomes across the value chain. AI can significantly improve the value proposition of pharma companies by driving innovation and the creation of new business models.

2) Applications of AI in Pharma Industry:AI can be implemented in almost every aspect of the pharmaceutical industry, right from drug discovery and development to manufacturing and marketing. By leveraging and implementing AI systems in the core workflows, pharma companies can make all business operations efficient, cost-effective, and hassle-free.The best part is that since AI systems are designed to deliver better outcomes as they contineously learn from new data and experience, they can be a powerful tool in the research and development wing of the pharmaceutical industry.

3) Let's look at some of the most mention-worthy applications of Alin the pharmaceutical industry(only main headings are brought hereunder)

R&D
Drug development
Disease Prevention
Epidemic prevention
Remote monitoring
Manufacturing
Marketing

ADOPTION OF AI INPHARMA INDUSTRY- LESSONS AND CHALLENGES IN BRIEF (as AI is "drug" for Pharma Industry today and tomorrow):

1) Even with all the advantages/ benefits that AI has already brought in to Pharma sector, few reports / studies spell out that only about 5% of Pharma Industry strength are currently using AI or investing in AI technologies.

2) AI will hopefully get the ammunition they need to lead their companies into the future.

3) AI can cut costs down, create new, effective treatments and above all, help save lives. So Pharma companies should start leveraging AI today in a big way as AI is now drug to Pharma industry.

4) AI in Pharma refers to the use of automated algorithms to perform tasks which traditionally rely on human intelligence. Over the last few years, the use ofAI in the pharma and biotech industry has redefined how scientists develop new drugs, tackle disease, and more.

CLOSING THOUGHTS TO RECKON WITH :

1) While the opportunities for utilizing AI in pharma and biotech improvement are self-evident, the genuine push toward embracing such advances can be painfully slow. Not exclusively do customary drug development and discovery processes require a more gradual adoption (as opposed to what some should think about a disruption by innovation), the cycle for training AI in what works for drug discovery can take longer than in different applications.

2) No one can accurately predict to what degree AI-powered techniques can impact the pharmaceutical industry. Though the technology may still be in its early stages and emerging, one can safely say that AI is going to transform industries. AI will likely benefit pharma companies that internalize the technology helping them to continue to develop cures and treatment options. In short, the application of AI can help companies become more efficient and stay ahead of the competition.

3) The scope of AI in the pharmaceutical industry looks highly promising. As an increasing number of pharma companies adopt AI and ML technologies, it will lead to the democratization of these advanced technologies, thereby making it more accessible for small and medium-sized pharma companies as well.

REF: Internet based R&D reports, Experts views, Practical deliberations/ Net working- on line discussions etc.

LONG LIVE REPUBLIC DAY

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REVERSE SUPPLY CHAIN

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Adding 'reverse' next to 'supply chain' seems contradictory at first.

Why would a business need to implement a supply chain, and then reverse it? Strange, right?

It's easy to focus 100% of your effort on the forward supply chain, but the 'backward' process is actually essential for many businesses. From organizing returns of faulty goods to picking up empty packaging, or even collecting old household appliances and other used products – these are all activities that demand a streamlined and efficient reverse supply chain.

Let's dive right into the details.

What is a Reverse Supply Chain?

The reverse supply chain is a process that is almost opposite of a traditional supply chain, meaning the product moves from a customer back to a vendor/ supplier/retailer. Reverse supply chain management includes pickups, disposing or cleaning, sorting, repackaging, restoring, and finally reshipping. By focusing on reverse logistics processes, a business is more robust to the complete customer lifecycle – which comes with serious benefits.

What are the Benefits of a Robust Reverse Supply Chain System?

If you have identified that your business needs to introduce or improve an existing reverse supply chain, it's worth looking into software that will make the whole process smoother – and smarter.

The right addition, like advanced route optimization and scheduling software, can turn otherwise static and inflexible reverse supply chain processes into one that is robust and can be adapted to all of your unique business needs. These are just some of the benefits:

Less resource waste

Your reverse supply chain can be used in the same operations as your regular supply chain, meaning you can do multiple tasks with the same resources you had before.

Having both pickups and deliveries on the same route will reduce mileage, and mean that you are fitting in more work into the regular workday. And, incorporating returns of reusable packaging (such as crates, if you deliver milk/beer) is great for your business in a number of ways.

You spend less money on packaging, less time and manpower is spent on ordering packaging, and the environmentally friendly approach will score you brownie points with customers and help build loyalty.

Forward and Reverse Supply Chain Route Map

Better customer service

According to Supply Chain Quarterly, 1 in 5 of all items purchased are returned to the manufacturer. That means there's a good chance that your customer will request a refund or exchange.

How fast can you receive the original product and give the customer what they've asked for: an easy returns process? The faster that you can make this happen, the more likely a customer will have a positive experience.

Dynamic Replanning means you can take a customer request for an exchange, see where your drivers are, and quickly organize product returns to your depot or store – and get to the customer on the same day!

Being able to offer this sort of service will give you an edge over competitors too.

New avenues of revenue

By having the capability to run an efficient supply chain at the same time as a reverse supply chain – or swap between the two based on the season – you're empowering your business to be incredibly flexible, and ultimately profitable all year long.

Like the icecream delivery company King of Pops that, come winter, introduces a Christmas tree delivery and pick up service!

How to incentivize customers to work in tandem with your Reverse Supply Chain?

There's no point in having an optimized and efficient reverse logistics process if your customers can't experience the convenience that it offers. And, increasing the amount of high-quality face-to-face interactions with your customers gives you more opportunity to impress!

Here are some ways of encouraging customers to be a part of the reverse supply chain:

1. Instead of mail-in returns/exchanges – offer to pick up goods

When customers want to return or exchange a product, offer free pickup instead of paying for mail service.

This expedited asset recovery allows your team to find an optimal time to come and pick up an order along their way, and route optimization software slots these jobs without compromising the efficiency of the entire route. Not to mention that customers will LOVE not having to head off to the post office/courier service to return their items!

2. Go for reusable/refillable products

Many services, such as food delivery and water bottle refills can use reusable/refillable packaging.

Why not integrate the pick-up process into your overall supply chain? It's one more touchpoint with a customer to drive loyalty through great service.

Scheduling is simple because it's easy to indicate whether a job is a delivery or pickup. If the items you are collecting are large or heavy, the route optimization software also lets you plan in accordance with the capacity of each vehicle.

3. Offer a collection service of old and bulky items

If you are already delivering new products such as appliances, furniture, mattresses, or any other bulky items, offer to take the item that the customer is replacing. The added customer service could be your differentiator in a competitive market.

And the potential is there – just consider the fact that in 2007 only 18% of all computers were recycled, but thanks to reverse supply chains the amount went up to 40% within six years. However, trying to control this process with manual planning would give you a confusing mess.

Above are few to mention and there are much more possible applications and benefits of Reverse Supply Chain are there. Further, it adds value to "Sustainable" component in your Supply Chain which is most important factor to be considered in current scenario.

PS: This article is originally published on optimoroute.com. We are happy to announce that Sourcing and Supply Chain has extended Content Partnership along with optimoroute.com. OptimoRoute is an online Route Planner for Delivery and Field Service.

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BUDGET 2021: REACTIONS FROM THE SOCIAL SECTOR BY TEAM SS

On February 1, Finance Minister Nirmala Sitharaman presented India's first-ever paperless Budget. A lot of reforms were announced on migrant labour, renewable energy, and women and child welfare. Experts from the social sector weigh in. 102 CLAPS +0 +0 The Union Budget 2021-22 was a first-of-its-kind on many fronts. In addition to being the first paperless Budget, it was also the first since the pandemic forced the country into months of lockdown, which impacted not only the economy, but also the livelihoods of Indians, particularly in lower-income sections. So, it came as no surprise that there were a number of welfare schemes announced.

We asked a few experts what they thought of Finance Minister Nirmala Sitaraman's roadmap for reviving various sections of India's social sector.

Roopa Kudva, MD, Omidyar Network India "It is great to see the emphasis in the Budget on using technology as an enabler for social impact and inclusion in critical areas like education, urban governance, and provision of benefits to migrant workers. A 45 percent increase in the allocation to e-learning and the launch of a new scheme PM e-Vidya to provide multi-modal access to education for teachers and students can go a long way in strengthening education delivery, especially post COVID.

The proposal to create a platform for unorganised migrant workers to access benefits under various welfare schemes is an important step, as migrant workers have been left out of the social safety net so far. There is also a new target to digitise 125 civic services across 25 cities through the Smart Cities Mission. Digital infrastructure should continue to be given importance going forward. In addition to the technology, we will need good data governance and community engagement for the benefits to reach every Indian."

Aniket Doegar, CEO and Co-founder, Haqdarshak Empowerment Solutions Private Limited We welcome the increased allocation on health schemes, Ujwala Yojana, and the focused vision on centrally sponsored schemes.

Further, from a social welfare perspective, getting gig economy workers on a single platform with social security benefits is a big plus. With announcements on emergency credit for the agricultural sector, as well as the concessional credit boost to farmers, the last-mile linkages will be extremely critical to track. Further, we wish to see an increased focus on schemes for street vendors as well as micro entrepreneurs, as the budget towards MSMEs has been increased to over Rs.15,000 crore.

Sanjay Borkar, CEO and Co-founder, FarmERP The Finance Minister has proposed to increase the agricultural credit to Rs 16.5 lakh crore, which was the highlight centering the Agricultural Budget. This credit can be used by smallholder farmers for CapEx, be for their vehicles or cold storage and other facilities that they require, and also as working capital during the crop cycle.

One of India's major concerning factors when it comes to agriculture is the infrastructure. The Agriculture Infrastructure and Development Cess (AIDC) proposed in this year's Budget can bring in good revenue to help farmers overcome these shortcomings by allowing them to store their produce in cold storages, stores or typical warehouses and get better value for their produce. This will play a vital role in strengthening the agricultural supply chain which can ultimately benefit the farmers and the stakeholders. The 'Digital India' movement initiated by the Government can help the farmers greatly. Though this movement is not directly focused on farmers, focusing on digital projects will promote the use of technology.

This can be revolutionary for the rural sector including farmers as it can aid to improve the standard of living, manage finances, help provide better services and products to the end consumers."

Dr OP Agarwal, CEO, WRI India With infrastructure and inclusive development as one of Budget 2021-22's six pillars, public transport has received a fillip. Allocation of Rs.18,000 crore for public buses in urban areas, pushing for 100 percent electrification of broad gauge rail tracks and bringing down logistics cost for railway by 2030, and the introduction of Metro-lite and Metro-neo for smaller cities, will impact a change in people's commuting patterns.

This will improve our air quality, reduce road congestion and enable an equitable urban infrastructure for the future. Now, there is a need to strengthen the end-to-end connectivity to boost the use of public transport further.

Namrata Ginoya, Manager – Climate Resilience Practice and Energy Access, WRI India The FM's budget speech highlighted how Minimum Support Price has supported farmers over the years. Increased cover through MSP is indeed good, but its allocation needs to be amended based on climate change projections, groundwater resources and fertiliser use to sustain production and improve uptake of local crops.

Dr Malini Saba, Founder and Chairman, Saba Group and Anannke Foundation By incentivising the One Person Companies (OPCs) and increasing the thresholds for Paid up capital and turnover will truly help women-led startups ease their compliances requirement and grow without any restrictions. Strengthening of NCLT framework and e-Courts system through Data Analytics, AI and Machine learning will play a major role in facilitating case proceedings, curbing corruption, and bringing transparency in the matter. 'Minimum wages', 'Stand up India' schemes and the insurance cover under 'Employees State Insurance Corporation', is a commendable step and will increase the participation of women in all the categories and to set up new businesses. The household tap connections, under The Jal Jeevan Mission to provide safe and adequate drinking water will definitely help in eliminating the problem of decades old sanitation and health problems.

Tea plantation and production play a noteworthy task in the Indian economy and providing Rs 1,000 crore for the welfare of tea workers especially women and their children in Assam and West Bengal will play an essential role in enhancing the health and efficiency of the plantation workers, generate livelihood and boost the economy.''

Vivek Adhia, India Country Director, Institute for Sustainable Communities India's Union Budget 2021 lays out clear directions for green, rapid and resilient recovery with significant boost in infrastructure investments and reform measures. Continued outlay on the clean air programme coupled with a boost in sustainable transport measures and vehicle scrappage policy in place, will help improve urban air quality across most regions.

With most cities staring at day-zero and increased water risks – the urban Jal Jeevan Mission, aimed at universal access for all – hopefully will bring in the right momentum on clean water and sanitation. The Budget continues to address the challenge of power reforms, opening up consumer choices and bringing in economic stability of distribution companies. Continued clean energy boost, national apprenticeship programs, MSME support measures and production-linked incentives for manufacturing are additional pillars, advancing the country's aspirations towards self-reliant growth.

Romit Sen, Associate Director – Water and Agriculture Programme, Institute for Sustainable Communities The focus on enhancing household access to water in urban areas is a welcome move. However, the Budget did not have any mention of addressing water quality problems. With a large number of habitations affected by water quality, one cannot realise the mission of clean and safe drinking water for all. Similarly, while the focus on solid and liquid waste management is encouraging, the Budget lacks proposals and outline for enhancing water supply through source strengthening, wastewater recycling. The high demand for rural jobs under MGNREGA in the year 2020 owing to the reverse migration was an opportunity for the government to strengthen ecological restoration and natural resource conservation activities in rural areas under MGNREGA."

Anuradha Prasad, Founder and CEO, India Leaders for Social Sector The Education Budget 2021 comes as a much-needed respite for small charitable Trusts amidst post-COVID fund crunch and current compliance structure for the sector. The key focus areas in education: will be effective implementation of National Education Policy, setting up of Higher Education Commission and International research collaboration.

These resources and opportunities will empower the youth of our country, and India will benefit from the demographic dividend. The good news for the education sector is that the government has channelised efforts towards digitisation, be it the additional allocation for MGNREGS, aiming for a technology-driven education National Foundational Literacy and Numeracy Mission. We strongly believe these efforts will converge into building a holistic blueprint for development on all human development indicators and benchmarks."

Reeta Sonawat, Member of Advisory Council, Association of Indian Schools Budget 2021 initiated a significant step with the announcement of 15,000 schools to be strengthened as per the NEP 2020. This holds greater relevance considering the overall impact COVID-19 has had on the education sector.

The education sector awaits a revival and Budget 2021 to an extent managed to address a few of the concerns. For example, the move to raise the allocation for 'Eklavya' Schools to Rs 38 crore and Rs 40 crore for hilly areas is one such step. Continuously trained teachers and sound curriculum which will give quality education to the children and better implementation of NEP 2020. The role of public-private partnership will go a long way to achieve the goal of Budget 2021 and will help in digital curriculum and fast implementation of teacher training and their experience and expertise can be a great help in day to day running of these large numbers of schools.

Kamal Narayan Omer, CEO IHW Council The most noteworthy aspect of the healthcare outlay this year is a distinct integration of health and wellbeing with causative factors such as nutrition and clean air. This is a marked departure from the previous Budget where curative features received the lion's share of the outlay. This change in approach, driven by the once-in-a-century pandemic, augurs well for the overall healthcare landscape of India.

The massive 137 percent increase in the budgetary outlay with a dedicated corpus of Rs 35,000 crore for COVID-19 vaccines was a much-needed step, and I congratulate the government on stepping away from the stock approach to healthcare. Recognising the interlinking of health and socioeconomic and environmental factors such as malnutrition, safe water and air pollution also deserves a special mention – it will help reduce the burden of infectious diseases as well as fatal non-communicable diseases such as lung cancer which has been tightening its grip on the Indian population for some time now. The voluntary scrappage policy for vehicles aimed at reducing vehicular pollution will require dedicated communication for awareness.

Ulka Kelkar, Director, Climate, WRI India Union Budget 2021 has announced a Green Hydrogen Mission. Not only is this essential to decarbonise heavy industries like steel and cement, but it also holds the key to clean electric mobility that doesn't depend on rare minerals.

Namrata Ginoya, Manager – Climate Resilience Practice and Energy Access, WRI India The FM's Budget speech highlighted how Minimum Support Price has supported farmers over the years. Increased cover through MSP is indeed good but its allocation needs to be amended based on climate change projections, ground water resources and fertiliser use to sustain production and improve uptake of local crops.

Dr Ajay Singh Nagpure, Director - Air Quality, WRI India Budget 2021-22 saw a drop in the funds for air quality improvement from Rs 4,400 crore in 2020. Incidentally, last year's funds remained largely unutilised by the urban local bodies. This year, a concerted effort by the states and cities to develop capacity will help use the allocated funds efficiently and impact on-ground change.

Sumanta Kar, Senior Deputy National Director of SOS Children's Villages of India This is just the right Budget for the welfare of women and children as the Finance Minister has focused on increasing household income of farmers; strengthening the healthcare infrastructure, and promoting women's participation in the workforce, which are some of the key enablers of an equitable and knowledge society. Besides, the Budget has given the much-needed impetus to the implementation of the new National Education Policy. The attention to such key areas of development is crucial for every child to have the opportunity to grow into a contributing and responsible citizen. In the wake of the pandemic-led disruptions, the need for ensuring social security, protection of livelihoods, and creating economic opportunities for women, and youth cannot be overlooked or overstated. Hence, it is heartening to see the importance this Budget has given to doubling farmers' income, and opportunities for youth to learn vocational skills and become either employable or turn into entrepreneurs. Rs 3,000 crore is earmarked for this skilling initiative.

Dr Vivek Bindra, Founder and CEO Bada Business The overall focus of the Budget has been on revival and generation of more economic activity in the economy. The Finance Minister rightly pointed out at the outset that this Budget has been prepared in never before seen circumstances. Economic revival is more important than fiscal prudence right now. So, we welcome the fact that the government has ensured a much-needed increase in expenditure at the expense of increasing the fiscal deficit. Apart from a significant increase in healthcare outlay, another notable aspect of the Budget has been a sharp increase in capital expenditure which has been upped to Rs 5.54 lakh crore from Rs 4.39 lakh cr last fiscal. The government has committed to invest heavily in infrastructure building activities including major upgrade of the public transport system in urban areas, new public bus transport schemes and expansion of metro lines. This infusion of infrastructure funds will help generate much-needed economic activity and create new opportunities for employment.

Source: yourstory.com

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COMMODITY INDEX

Commodities	Days's Index	Prev. Index	Week Ago	Month Ago
Index	3303.3	3290.5	3286.9	3237.4
Bullion	7968.9	7890.7	7958.3	7836.0
Cement	2430.5	2430.5	2430.5	2430.5
Chemicals	1485.7	1485.7	1485.7	1485.7
Edible Oil	2792.4	2771.4	2744.3	2501.1
Foodgrains	2472.1	2472.8	2467.9	2470.8
Fuel	3290.9	3278.4	3228.4	3076.1
Indl Metals	1919.6	1919.6	1919.4	1919.4
Other Agricom	2169.7	2168.2	2181.8	2178.4
Plastics	2229.6	2229.6	2216.0	2102.0

Source: ETIG Database dated 23rd February 2021

BUDGET STRESSES ON PPP MODE FOR OPERATIONAL SERVICES AT MAJOR PORTS & OFFERS SUBSIDY SUPPORT TO PROMOTE FLAGGING OF MERCHANT SHIPS IN INDIA

Seven projects worth more than Rs 2,000 crore will be offered by the Major Ports on Public Private Partnership (PPP) mode in FY 21-22. This was stated by the Union Minister for Finance and Corporate Affairs, Ms Nirmala Sitharaman, while presenting the Union Budget 2021-22 in Parliament on Monday. The Major Ports will be moving from managing their operational services on their own to a model where a private partner will manage it for them, she said.

To promote flagging of merchant ships in India, MsSitharaman also proposed to launch a subsidy support scheme of Rs 1,624 crore in global tenders floated by Ministries and CPSEs over 5 years to Indian shipping companies. She emphasised that this initiative would enable greater training and employment opportunities for Indian seafarers besides enhancing Indian companies' share in global shipping.

MsSitharaman also proposed to double the ship recycling capacity of around 4.5 Million Light Displacement Tonne (LDT) by 2024. She said that efforts will be made to bring more ships to India from Europe and Japan, as around 90 ship recycling yards at Alang in Gujarat have already achieved HKC (Hong Kong International Convention) compliant certificates.

Record outlay for Railways & more DFC projects

Indian Railways has received a record outlay of 1,10,055 crore, of which 1,07,100 crore is for capital expenditure. The Railways has prepared a National Rail Plan for India – 2030, to create a 'future ready' rail system by 2030.

MsSitharaman said: "Bringing down the logistics costs for our industry is at the core of our strategy to enable 'Make in India'." The Finance Minister announced that Western Dedicated Freight Corridor (DFC) and Eastern DFC are expected to be commissioned by June 2022.

Further, the Finance Minister proposed the following additional initiatives to be taken up:

* The Sonnagar-Gomoh Section (263.7 km) of Eastern DFC will be taken up in PPP mode in 2021-22. Gomoh-Dankuni section of 274.3 km will also be taken up in short succession.
* Future dedicated freight corridor projects, namely, East Coast Corridor from Kharagpur to Vijayawada, East-West Corridor from Bhusaval to Kharagpur to Dankuni, and North-South Corridor from Itarsi to Vijayawada will be undertaken. Detailed Project Reports will be undertaken in the first phase.

Augmenting road infrastructure

The Finance Minister announced several measures to augment road infrastructure. An enhanced outlay of 1,18,101 crore has been provided for Ministry of Road Transport and Highways, of which 1,08,230 crore is for capital, the highest ever.

MsSitharaman informed Parliament that more than 13,000 km length of roads, at a cost of 3.3 lakh crore has already been awarded under the 5.35 lakh crore BharatmalaPariyojana project, of which 3,800 km have been constructed. By March 2022, another 8,500 km would be awarded and an additional 11,000 km of national highway corridor would be completed.

She said that more economic corridors are also being planned to further augment road infrastructure:

* 3,500 km of National Highway works in Tamil Nadu at an investment of 1.03 lakh crore. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year.
* 1,100 km of National Highway works in Kerala at an investment of 65,000 crore including 600 km section of Mumbai-Kanyakumari corridor in Kerala.
* 675 km of highway works in West Bengal at a cost of 25,000 crore including upgradation of existing Kolkata-Siliguri road.
* National Highway works of around 19,000 crore are currently in progress in Assam. Further works of more than 34,000 crore covering more than 1,300 km of National Highways will be undertaken in the state in the coming three years.

Flagship Projects: Roads and Highways

Some flagship corridors and other important projects that would see considerable activity in 2021-22 are:

* Delhi-Mumbai Expressway: Remaining 260 km will be awarded before 31.3.2021
* Bengaluru-Chennai Expressway: 278 km will be initiated in the current financial year. Construction will begin in 2021-22
* Delhi-Dehradun economic corridor: 210 km corridor will be initiated in the current financial year. Construction will begin in 2021-22
* Kanpur-Lucknow Expressway: 63 km expressway providing an alternate route to NH 27 will be initiated in 2021-22
* Chennai-Salem corridor: 277 km expressway will be awarded and construction would start in 2021-22
* Raipur-Vishakhapatnam: 464 km passing through Chhattisgarh, Odisha and North Andhra Pradesh will be awarded in the current year. Construction will start in 2021-22
* Amritsar-Jamnagar: Construction will commence in 2021-22
* Delhi-Katra: Construction will commence in 2021-22

SCI, CONCOR in Strategic Disinvestment plan

"A number of transactions, namely, BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI

Bank, BEML, Pawan Hans, NeelachalIspat Nigam, among others, are proposed to be completed in FY 2021-22," the Minister informed the house. She also added that other than IDBI Bank, a proposal of privatisation of two Public Sector Banks and one General Insurance company will be taken up. The IPO of LIC would also be brought in through requisite amendments in the session itself.

Further, to fast forward the policy, NITI has been asked to work out the next list of Central Public Sector companies that would be taken up for strategic disinvestment.

The Minister informed the house that she had estimated Rs 1,75,000 crore as receipts from disinvestment in BE 2020-21.

Incentivising states for disinvestment : The Minister also announced that to similarly incentivise states to take to disinvestment of their Public Sector Companies, an incentive package of Central Funds for them will be worked out.

National Infrastructure Pipeline: It was announced that in order to achieve the target of National Infrastructure Pipeline (NIP) in the coming years, the government proposes the following steps:

* Creation of institutional structures
* A big thrust on monetising assets
* Enhancing the share of capital expenditure in Central and State budgets

The Finance Minister informed that NIP, launched in December 2019 with 6,835 projects, has now expanded to 7,400 projects and around 217 projects worth Rs 1.10 lakh crore under some key infrastructure Ministries have been completed.

Pandemic impact on economy : The Minister drew the attention of Parliament on the fact that the pandemic's impact on the economy resulted in a weak revenue inflow. This was combined with high expenditure to provide essential relief to vulnerable sections of the society.

Source : Exim News Service - New Delhi, Feb. 1

STEPS ON INFRASTRUCTURE, CUSTOMS DUTY IN BUDGET TO PROMOTE MANUFACTURING, EXPORTS: EXPORTERS

Federation of Indian Export Organisations (FIEO) President S K Saraf said that modern infrastructure makes exports competitive as it helps in reducing the logistics cost.

Steps announced to develop modern infrastructure and rationalisation of customs duties on different products would help in promoting domestic manufacturing and boosting exports, according to exporters.

Federation of Indian Export Organisations (FIEO) President S K Saraf said that modern infrastructure makes exports competitive as it helps in reducing the logistics cost. The various facilities for fisheries will push marine exports of the country which has yet not reach anywhere near its potential, Saraf said.

He also said the government should allocate the requisite funds for RoDTEP (Remission of Duties and Taxes on Export Products), MEIS (Merchandise Export Incentive Scheme) and SEIS (Services Export Incentive Scheme) so that the uncertainty is removed and exporters' past claims may be released quickly as the same has severely eroded their liquidity.

Apparel Export Promotion Council (AEPC) Chairman A Sakthivel said focus on highways, railways and ports is a welcome decision as it will go a long way in improving the logistics and reduce the cost of doing business.

The rationalisation customs duties will also result in easy access to raw materials and export of value added products, Sakthivel added.

"The reduction in custom duty on nylon will further promote the MMF (man-made fibre) garments," he added.

Sakthivel said that hiking budget provision for Micro, Small and Medium Enterprises (MSME) sector will strengthen the sector crucial for employment, manufacturing and exports.

ReligareFinvest Ltd CEO Pankaj Sharma said the government has announced a number of measures for MSMEs besides more than doubling the allocation for the sector.

"Several other steps like reduction of customs duty on semis, flat and long products of non-alloy, alloy, and stainless steels is a big boost for the sector that has borne the maximum brunt of the COVID 19 pandemic.

The MSMEs and other user industries had been severely hit by a recent sharp rise in iron and steel prices," Sharma said.

Trade Promotion Council of India (TPCI) Founder Chairman MohitSingla said this budget has been positive and forward-looking in terms of thrusting the agriculture export and taking Indian products to the global shelves by allocating Rs 100 crore for the agri export policy.

Research firm CUTS International Secretary General Pradeep S Mehta said that the measures announced in the budget would help promote manufacturing and enhance the country's outbound shipments.

Source PTI

DEMAND FOR WAREHOUSING TO REMAIN STRONG IN 2021

RISHI RANJAN KALA

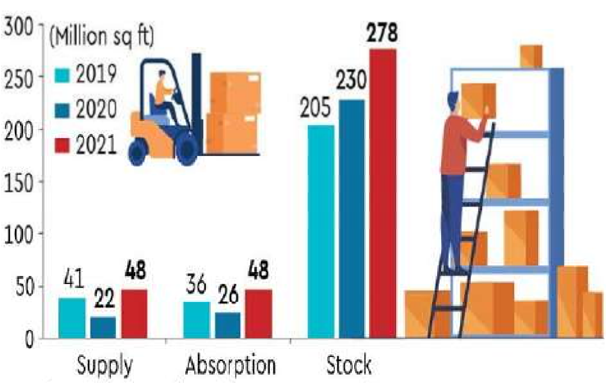
Gxpress director Praveen Vashistha said that warehousing, which comprises around 10% of the overall logistics cost, has a significant impact on optimising the remaining 90% that includes transportation, inventory management, material handling, packaging, etc.

Logistics solutions major DB Schenker points out that the industry is growing at a CAGR of 10.5% in India and is further expected to rise with the Covid-19 vaccine distribution.

The Indian warehousing and logistics industry had an admirable run last year as Covid-19 forced businesses to focus on continuity plans and supply chain constraints. The growth momentum is expected to continue in 2021 as sectors like e-commerce, FMCG and pharmaceuticals look to penetrate deeper into tier II and III cities.

Logistics players and analysts are convinced about the sector's performance as they say that e-commerce firms will continue to push for cost-efficient and swift last-mile delivery. Besides, the growing demand for cold chains, and with India vying to be a manufacturing hub, the requirement for large automated warehouses and omni-channel logistics solutions will continue to grow. As per Savills India, industrial and warehousing space absorption is expected to grow 83% y-o-y to 47.7 m sqft in 2021, driven by robust growth in e-commerce and manufacturing.

Logistics solutions major DB Schenker points out that the industry is growing at a CAGR of 10.5% in India and is further expected to rise with the Covid-19 vaccine distribution.



Industrial & warehousing space scenario

DB Schenker CEO (cluster India and Indian sub-continent), Vishal Sharma notes that supply chain and logistics will experience unprecedented focus in 2021 and beyond. This would be driven by the challenges customers faced and had to overcome in 2020, which made it clear for many organisations, especially SMEs, that having the right partners to support their supply chain and logistics needs is a must to enable growth without disruption.

"Customers will engage partners who can bring stability, scale and sustainability. There would be a clear shift in customers' long-term strategy to make some changes to adjust to new norms, which includes increase in inventory holding and reducing supply chain costs. Customers will also continuously look out for reliability in service and ability of this segment to scale up and down without incremental costs," he added.

Gxpress director Praveen Vashistha said that warehousing, which comprises around 10% of the overall logistics cost, has a significant impact on optimising the remaining 90% that includes transportation, inventory management, material handling, packaging, etc.

"Warehousing demand in post Covid-19 scenario would follow a hub-and-spoke model, largely with product companies focusing on reducing inefficiencies in supply chain, which happen due to the bullwhip effect, by increasing availability of their products closer to consumption points," he added.

For instance, Vashistha says that tier II cities like Jaipur, Jodhpur, Varanasi and Saharanpur have started increasing their numbers in terms of handicraft players, who are vocal for local. These cities are getting more attention from logistics players. Omni-channel strategy has now become central for most of the companies which are into retail, FMCG and pharmaceuticals and has given a big opportunity to third party logistics (3PL) providers.

Savills India said that 3 million sqft of warehousing space was absorbed in 2020 by logistics players in tier II cities like Ludhiana, Lucknow, Coimbatore, Jaipur, Guwahati, Bhubaneswar, Nagpur and Patna. It expects these cities to gain momentum in 2021 with e-commerce and 3PL firms capitalising on consumption-driven growth and pushing demand for warehouses.

"Growing demand for cold chain, pharmaceutical warehouses as well as growth in e-commerce and organised retail are likely to drive warehousing demand in 2021. In addition, strong macro-economic fundamentals and government's policy support in implementation will continue to fuel growth for the entire sub asset class of industrial and logistics," Savills India managing director (industrial and logistics), Srinivas N said.

Source: financialexpress.com

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MODERN WAREHOUSING – THE COMING OF AGE OF THE GODOWN

AISHWARYA SRIRAM
PRINCIPAL INVESTMENT SPECIALIST

About a decade ago, the term "warehouse" would conjure images of dusty godowns – buildings of an undefined shape located in the outer limits of cities, structures with no more than 4 walls, stacked haphazardly with inventory from floor to ceiling. Fast forward to 2020, and warehousing is not only a highly sought-after sub-set of the commercial real estate asset class but is also a pivotal part of India's logistics sector.

Over the past few years, India has made significant progress by building logistics infrastructure and carrying out various regulatory and structural reforms. Various schemes such as **Pradhan Mantri Gram SadakYojna, Industrial & Dedicated Freight Corridors, Bharatmala and Sagarmala projects, Jal Marg Vikas, and UDAN** have provided enabling infrastructure for logistics.

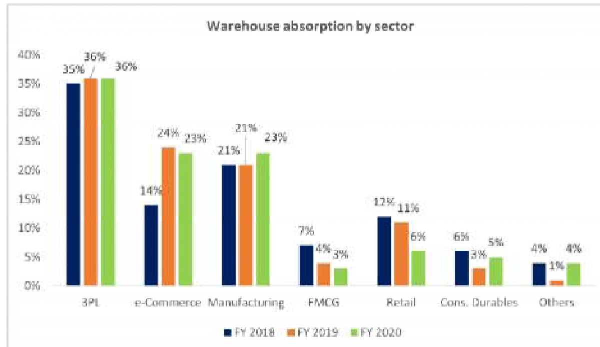
India's warehousing sector came into the limelight c. 3-4 years ago, triggered by the implementation of the Goods & Services Tax (GST) in 2017. Before the GST regime, most companies had multiple, small warehouses across states for the sole purpose of minimizing taxes. The introduction of GST allowed firms to start focusing on building efficient supply chain networks by establishing optimal-sized warehouses in fewer locations.

Another landmark policy move was the 'Infrastructure' status that was granted to the entire logistics sector, and hence, by extension to warehousing. This coupled with the 100% FDI permitted in warehousing has led to substantial institutional investor interest in the warehousing space.

Until recently, warehousing in India was largely characterized by ageing infrastructure, limited mechanization in cargo handling, low technology adoption, and limited value-added services. The strong institutional interest in warehouse development and operations over the last few years has transformed the warehouse from being just a large storage room to a facility that adds value in packaging, inventory management, and extraction of products.

E-Commerce – Championing warehouse growth

The sectoral end-users of warehouses can be broadly classified as 3PL (Third Party Logistics), e-Commerce, Manufacturing, FMCG, Retail, Consumer Durables.



While some sectors such as automobiles and engineering have experienced a COVID-19 led prolonged slowdown thereby reducing demand for warehouses, others such as e-commerce and FMCG have seen a transformation in consumer behavioral patterns leading to accelerated acceptance, which in turn has led to an enhanced demand for warehouses from these end-use sectors.

3PL operators have maintained their position as the leading end-users of warehouses over the previous three years. This observation is in line with the trend of most companies, including those in FMCG, Retail, and e-commerce outsourcing their logistics operations to 3PL operators. The big shift has been in the adoption by the e-commerce sector, with a ~70% increase between FY 2018 and FY 2019.

Of all the end-use sectors for warehousing, it is e-commerce that has seen a mega jump over the last 3 years. This is in line with the growth of the sector itself in India, which was estimated at $ 70 Bn in 2019 and is expected to grow to $ 160 Bn by 2022. The warehousing absorption by e-commerce has grown at a CAGR of 55% between FY 17 and FY 20 and stands at 8.5 Mn square feet in FY 2020. Its share in warehouse demand also grew from 15% in FY 2018 to 23% in FY 2020.

Fundamental market characteristics that are driving this growth are increased smartphone penetration, low mobile data costs, rising disposable incomes, and busy lifestyles.

The lockdown (March 2020 – July 2020) witnessed a specific sub-segment of e-commerce take center stage in India – online grocery, including fruits & vegetables. Falling under essentials as per the government's directive, e-commerce players in this segment continued to operate during the lockdown. In the absence of functioning physical stores in their neighbourhood, almost everyone was forced to adopt the online route for their household's daily needs. This was further enforced due to the safety of digital payments. Interestingly, over the period of the pandemic, this forced adoption has led to transformative customer behaviour as far as e-commerce is concerned. More and more people, who were hitherto naysayers to the online shopping model, were forced to realize the relative advantages offered by e-commerce platforms – whether it was in delivery times, mode of payments, product variety and quality, or simply the safety and ease of transactions.

Many e-commerce companies started opting for in-city warehousing to reduce delivery times of perishable items as well as to avoid the movement restrictions that were placed on even inter-district transportation. In-city warehousing is being seen as an important infrastructural requirement, especially in the major consumption centres, where delivery timelines are shrinking from 'next-day' to '2 hours'. Internationally, in mature markets such as Singapore and Hong Kong, in-city warehouses are built as multi-storey facilities because of the higher land cost compared to peripheral areas. While the land requirement for in-city will be 4-6 acres compare to 25-30 acres in peripheral areas, the premium land cost and the increased building development cost associated with multi-stories will need to fetch higher rents from tenants. Developers will thus look for longer lease tenures and lock-ins to ensure rental yields from such properties. In India, major metro markets – Mumbai, Bengaluru, and NCR – might be the only ones to see multi-storey warehouse development in the short term.

While in-city warehouse might be restricted to the major urban areas, overall growth of e-commerce led warehousing has extended beyond the top 8 markets to the next rung of cities such as Ludhiana, Coimbatore, Vapi, Guwahati, Patna, Siliguri, Bhubaneshwar, Dholera and Lucknow.

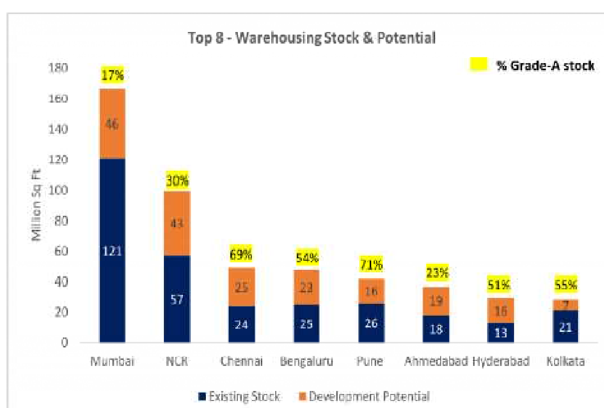
Growing popularity of Grade-A warehouses

2020 saw large scale supply chain disruption during the lockdown. COVID-19 highlighted the significant dependence of the global supply chain on China. The broad-based sentiment to move this concentration out of China to other manufacturing locations could potentially benefit India. The Government's program of "Atmanirbhar Bharat" (Self-Reliant India) focuses on limiting imports and increasing domestic manufacturing capabilities. The recently introduced Production-Linked Incentives (PLIs) in various sectors such as electronics, pharmaceuticals, food products, white goods, telecom & networking products, auto components, etc. is targeted towards attracting global manufacturers and choosing India as the preferred destination.

Global manufacturers bring with them expectations of international standards of compliance, human safety, hygiene, and automation when it comes to warehousing requirements. This is in line with the affinity being shown towards Grade-A warehouses with a conscious shift towards technological advancement, modernization, optimization, and automation.

Characteristics of Grade A Warehouses

As of FY 2020, the top 8 cities (NCR, Mumbai, Ahmedabad, Pune, Bengaluru, Kolkata, Chennai, and Hyderabad), are estimated to have 307 Mn square feet of warehousing stock. The total buildable potential is estimated to be 500 Mn square feet, leaving 193 Mn square feet of potential warehousing that can be built on the existing land parcels. This is projected to be warehousing demand for the next 5 years, based on 2020 absorption rates.



While there has been an increased momentum to develop Grade A warehouses, the existing stock is still largely Grade B. Around 64% of the total warehousing stock across these 8 cities is Grade B, with a significant chunk of it clustered in the Mumbai and NCR area because of presence of older stock. This underscores the potential for large-scale development of Grade A warehouses.

Rapid development activity

Acquiring suitable land with good trunk infrastructure proves to be a tedious process faced by many companies, which is further aggravated by the time and effort needed to deal with multiple state authorities and urban local bodies to get all the approvals in place. Built-to-suit, plug-and-play facilities developed across the country by large developers such as Indospace, Embassy Group, Mahindra Logistics, Welspun One, Logos, etc. are being presented as a solution to international companies that are facing land acquisition issues while setting up their India presence. There is rapid scale-up activity being witnessed, wherein leading players are acquiring or developing warehouses/ industrial parks close to industrial clusters across the length and breadth of India.

- Indospace, launched by private equity firm Everstone, has a portfolio of ~37 Mn square feet across 36 parks, spread across the country.
- Mahindra Logistics has a footprint of 16 Mn square feet of warehousing facilities and has recently added .75 Mn square feet in Hyderabad and Chennai.
- Welspun Group acquired One Industrial Spaces to become Welspun One – an integrated industrial real estate platform focused on the warehousing sector in India. They are currently developing a 110 Acre Grade A logistics park in Bhiwandi (Mumbai Metropolitan Region)
- Logos India – a JV between Macquarie-backed Logos Property Group and India's Assetz Property Group – is backed by Ivanhoe Cambridge (CDPQ) and QuadReal Property Group, with $ 800 Mn capital to develop & own warehousing facilities in India. The JV has acquired 2.2 Mn square feet of leasable warehousing space in Chennai.
- Hiranandani Group 's JV with Blackstone - GreenBase - has plans to develop 12 Mn square feet in the next 3-5 years and recently signed an MoU with Govt. of Tamil Nadu to develop a logistics park at Oragadam for INR 750 Cr ($ 100 Mn)

Promising investment landscape

The numbers speak for themselves. Warehousing as an investable asset class was not even a blip on the radar for private equity investors for the better part of the last decade. The fortunes of the warehousing sector turned around in 2017, when the various policy initiatives coupled with the growing e-commerce segment made it a favourable sub-segment in real estate, second only to office.

Notable deals in the warehousing space

Investor	Company	Amount ($ Mn)	Year
CPPIB	Indospace	1,300	2017
Ascendas	Firstspace	600	2017
Macquarie & Ivanhoe	Logos &Assetz	400	2017
GLP	Everstone	500	2018
Allianz	ESR	1,000	2018
GLP	Indospace	700	2018
Temasek	AscendasFirstspace	300	2019
Blackstone	Hiranandani	60	2020
Welspun Group	One Industrial Spaces	Undis closed	2020
GIC	ESR	750	2020

The current landscape does not offer a wide base of mature assets for investments. However, since warehouses are a relatively quick-to-develop structure (with most being developed within 12 months), there is a big opportunity for greenfield investments.

Most states in India are offering incentives for developers interested in investing in warehouses and logistics parks such as:

- earmarking land for warehouse/logistics parks
- single window and time-bound clearances
- labour law relaxations
- allotment of government land
- stamp duty & registration fees concessions
- providing critical utilities at no cost
- power at a concessional rate

Strong demand from the end-user base coupled with supportive policies both from the central government and state governments makes a compelling case for institutional investments to keep growing in the warehousing space over the next 5 years.

Trends to watch out for in warehousing

1. While GST has allowed companies to consolidate their warehousing presence to optimize sizes and locations, industry experts hold the opinion that given the distribution of consumption centers across urban and rural areas, length & breadth of the country and transportation time, it would be prudent to have multiple warehouses to reduce transportation timelines and costs.

2. Most businesses are moving away from Just-In-Time and lean inventory models because of the large-scale supply chain disruption experienced during the lockdown. Increased stocking requirements will, in turn, enhance the demand for warehouses.

3. Consumption-led demand has led to the emergence of e-commerce in the Tier-II & III cities. This has led e-commerce players to set up warehouses in smaller cities beyond the top 8 cities.

4. India is seeing a flurry of startups with business models centering around warehouse automation and technology. Some popular technologies being integrated into the modern warehouse include Internet of Things (IoT), Robotics for picking, sorting, and handling of SKUs, Augmented Reality (AR), Radio Frequency Identification (RFID), drones for inventory monitoring, and blockchain for data encryption.

The warehousing segment has proven itself to be one of the quickest asset classes to recover from the pandemic. Robust demand and key policy interventions have paved the way for institutional investors and large-scale developers to participate in the growth of the sector.

Conclusion

For any sector to flourish, the entire enabling ecosystem must be tuned towards large-scale adoption and rapid growth. For the warehousing sector in India, all the enabling elements have fallen in place – supportive government policies, large amounts of private capital, enabling trunk infrastructure and most importantly, end-user acceptance. With all these engines of growth firing on all cylinders, the time has come for India's humble ugly godown to transform into the integrated modern warehouse.

Source

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Source: www.investindia.gov.in

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GAINING A SUSTAINABLE COMPETITIVE EDGE WITH EFFICIENT SERVICE PART LOGISTICS: HERE'S HOW

ABHIK MITRA, MD & CEO
EXPRESS LOGISTICS COMPANY SPOTON LOGISTICS

Service parts logistics are an important part of a business's functionality. For a business, it is not only important to manufacture goods and/or services, but also to make sure that their goods and services last long once they reach the customers. And to ensure that, efficient service parts logistics need to be in place.

Abhik Mitra of **Spoton Logistics** is listing five steps to gain a sustainable competitive edge with service parts logistics.

What are service parts?

Service parts are those parts of a product that need repairing and replacing after usage-based wear and tear, some are mission-critical break-fix situations and some are routine preventive maintenance operations.

Why is service parts logistics important to gain a sustainable competitive edge?

Customers are the most important for businesses and for a business, it is of utmost importance that the customer remains happy and satisfied. Therefore, it is important to understand that your customers don't just want to buy the products, they also expect long term, complaint-free usage too.

In order to do that, you would need an efficient system of service parts logistics to build a connection with your customers. And in a fast-paced world like this, cut-throat competition does not allow for you to lag behind in keeping your customers satisfied. That is why paying attention to service parts logistics is necessary for you to be able to gain a sustainable competitive edge.

Here is how you can gain a sustainable competitive edge with service parts logistics:

1. Pay attention to what your customers are saying: Most of the time, the customers only want to be heard. Once they feel that their grievances have been heard, they usually cool down. Therefore, it is important to emerge over the edge over your competitors that you pay a lot of attention to your customers and hear them out. It is also important to ensure that you assure them that their problems will be heard.

2. Proper system Visibility: It is always better to have an inventory ready for parts that you know could cause potential problems in your products. When your service parts inventory is ready, you can deliver with ease and keep the customers happy and satisfied, having visibility of parts availability is a critical success factor.

3. Put together an efficient team: It is more often than not very possible for you as a business to let customers speak to the core team itself. Therefore, it is always better to put together an efficient CONTROL TOWER team who would take through your customer step-by-step on all processes and would help build an inclusive relationship with the customer.

4. Build a strong rapport with field workers: Who actually meets your customer and how he/she behaves with them is of utmost importance. Therefore, to gain a sustainable competitive edge, you need to build a connectivity loop where you and your in-field technicians have the same, friendly attitude towards the customers. If the customer is happy with the end product and the sincerity with which it was delivered, you will automatically have an edge over your competitors.

5. Move quickly: Nobody likes late work, right? You don't want your customers feeling like they have made the wrong choice by choosing your product, especially when they have something that needs to be replaced by you. Therefore, how quickly you respond to their requests and process it will play a huge role in gaining a competitive edge in this arena and leap frog market expectations.

Therefore, it is more than clear that an efficient service parts logistics execution could help you gain a sustainable and long-lasting competitive edge over your competitors. And the key to being efficient lies in the understanding that your customer will always be your king and in order to keep his/her satisfaction up and going, you need to put together ways that will benefit you in the long run - and would definitely help you in gaining sustainable competitive edge.

The views and opinions expressed in this article are those of the author and do not necessarily reflect the views of Indian Transport & Logistics News

Source: www.itln.in

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SUPPLY CHAIN TRENDS TO WATCH IN 2021

SARWESHWAR GOSA

2020 was a year filled with uncertainties. It reduced human interaction, compelled people into staying at home, and forced a quick shift from Offline to Online mode. Meanwhile, the logistic sector was serving the world tirelessly and also took it upon itself to ensure smooth and efficient connectivity across value chains to keep the world going. The sector which was itself struggling during the adverse circumstances gets acquainted with the changes. As per reports, the Indian logistics market is expected to grow at a CAGR of 10.7 percent between 2020-2024.

In 2021, below are the major trends that will drive the sector.

Stronger AI : Automation has been a trend in almost all industries since the previous decade. The continued success indicates that this trend will only get stronger in the coming year. Most notably, Artificial Intelligence (AI) has emerged as the primary propellant for automation in the supply-chain industry. By crunching data from past operations, AI algorithms can perform basic operations automatically. This saves a large amount of time and eliminates the possibility of human error, thus making the operations more efficient. It also redirects the human capital to perform more complex tasks.

Wider adoption of Blockchain : Blockchain has been alternatively called "the biggest breakthrough" and also "just hype" over the years. But the technology has proved its worth in various industries; the supply-chain industry is one of them. Research suggests that blockchain can save $31 billion by 2024 for the food and beverage industry alone. In the coming year, we can expect to see wider adoption of blockchain technology across the supply chain.

The primary use of blockchain has been to improve transparency. Obscurity in data sharing often has negative results in a supply chain. Blockchain allows data to be shared across a supply chain, end-to-end, with all concerned parties.

Cryptocurrencies based on blockchain are also becoming more common in the supply-chain industry. As more governments recognize cryptocurrencies as legal tenders, industries to are starting to adopt them. For cross-border trade, cryptocurrencies could become the preferred mode of payment as it provides a higher level of transparency, speed of transfer and security in comparison to legacy financial systems.

End to end IoT : The internet of things (IoT) is another technology rapidly adopted by the supply-chain industry apart from the blockchain. Like blockchain, IoT works in the direction of boosting transparency across the supply chain. GPS sensors can be fitted in modes of transportation like trucks to offer live location tracking. Sensors in the warehouse help visibility in inventory management, while those in retail outlets help in gauging demand.

Robotic Automation : Automation in SCM is not limited to just the operations, but the manual tasks as well. The first two quarters of 2019 saw an investment of $869 million on robotic automation in North America alone. On the transportation end, drones are beginning to be used for delivering light-weight goods. Driverless vehicles are not yet a reality, but it might become one soon.

Within the warehouses, Autonomous Mobile Robots (AMRs) can see wider acceptance for performing labor-intensive tasks. However, let's dispel the oft-used fear: robots will not replace humans. In most supply chains, robots would only free human capital from menial labour, allowing them to focus on more important decision-making.

Smart Contracts : Smart contracts are transaction protocols that are meant to execute when certain conditions are met automatically. In the supply chain, it could mean automatically generating an invoice when the shipment reaches the destination or conducting financial transactions between parties. Smart contracts have started to be used to settle payments using cryptocurrencies automatically. Smart contracts remove the need for arbitration from a trusted party, thereby making the process much faster.

Agile Supply Chains : If there is one thing the supply-chain industry needs to learn from the ongoing pandemic, it is agility. The supply chain has to be flexible enough to absorb any shocks, major or minor, that comes along its way. Using AI and machine learning, SCM could build models to predict future events and be prepared for them. Currently, not many companies are leveraging this technology. However, the COVID-19 pandemic could be an eye-opener and motivate the supply-chain industry to become more agile in the coming year.

Another aspect of agility in the supply chain is the personalization of shipments. Traditionally, the shipments are created in bulk, based on pre-orders. Any changes to the cargo in the middle of the supply chain are generally impossible. However, as industries move towards giving more power to the end customers, easy customizations are both a necessary edge and an eventual need.

Layered Technologies: The supply-chain industry has understood that it can no longer treat technology as an isolated service, i.e., as a means to an end. Technology will inevitably become the backbone of the supply-chain industry. Hence, we will observe a more significant push toward integrating and layering technologies, eliminating data silos in the supply chain, while creating dynamic, actionable data across technology stacks and platforms.

Rise of E-commerce : As people were compelled to stay at home due to safety measures, a massive boon was seen in the e-commerce segment. We saw people shop for essential items via online modes during the pandemic. In light of the same, many brick-and-mortar businesses during these times were forced to adapt to the online mode to survive, which further led to the increase in the e-commerce segment. In 2021, more businesses will be making a shift towards the online mode which along with the change in consumer behaviour will help derive the segment.

Solving the Last-mile Delivery Hiccups: It is believed that the last mile cost accounts for 40-50% of the entire supply chain. With the change in consumer behaviour and increased demand of the e-commerce sector, it increases the risk of encountering inefficiencies. In 2021, the demand and need for a more efficient last-mile segment will be of utmost importance as we expect consumer expectations on delivery services to move up the value chain. Apart from increasing the last-mile efficiency, companies will also be making a shift towards Electric Vehicles (EVs) for their last-mile operations with the sector giving more importance to sustainability. In January 2020, Amazon India made an announcement to include 10,000 EVs (both 3Ws and 4Ws) in its fleet of delivery vehicles by 2025. IKEA also intends to be 100% electric globally in terms of mobility by 2030. By embracing innovation in the form of various technologies, the industry is all set to face the challenges in the times to come and help businesses achieve greater operational efficiency.

Lets lookout how these trends transform the Supply Chain function in 2021!

Source:www.sourcingandsupplychain.com

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INDIAN SUPPLY-CHAIN SECTOR PIVOTS FOR PROFITABILITY: ET-ILC MEMBERS

NIKITA RANA

Synopsis : Most supply-chain firms have been able to cater to this capacity starting in August. In addition to capacity building, each of them is focused on building a USP that can differentiate them from the rest.

Across the world and in India, companies are reinventing crisis management mechanisms and remodeling supply chains. As per the Institute for **Supply Chain Management**, 39% of companies have faced a severe impact on their **s upply chain** with a 22% reduction in target revenues. No country can any longer be dependent on a single source or supplier even as they find optimal ways for international collaboration. The pandemic has focused attention on fragile geopolitical stability and legacy systems that urgently needed a revamp.

All the underlying factors that aflect the fundamentals of the **economy**, cement production, sales of commercial vehicles, infrastructure development and construction are all connected with road infrastructure and transportation, and issues that aflect these, need to be tackled quickly. “The road transport industry is one of the sectors most impacted by Covid-19. The restrictions imposed to control the pandemic, resulted in disruptions to supply chains and mobility networks and the overall economic slowdown,” says Raaja Kanwar, Chairman and MD, Apollo International. Transport operator finances, revenue and cash flow, all need to be looked at carefully in this sector for it to gradually rebuild.

For strong supply chain firms with robust networks, the dip in business in the last six months has been not so much because of the inability to operate but because of the shutting down of non-essential manufacturing units. Having said that niggling issues of labour unavailability, inter-state travel hindrances due to diflerent state policies, have posed substantial challenges. However, nimble and agile firms in the supply chain sector have eflectively pivoted to keep the damage to a minimum. “We found a solution for those businesses by organizing specialized charter flights in and out of India, thus maintaining the supply chain and causing minimal disruption,” says Vaibhav Vohra, MD, Continental Carriers which is aiming to launch its own Air Freight Station shortly.

Just-in-time processes which were hailed as among the best in the operations world globally are being revaluated. Companies are building a larger inventory bufler to prevent supply chain disruptions. On the other hand, the pre-covid strategy of some air and ocean asset players building larger capacities for better margins is also evolving. Profitability is now far more important than capacity. Firms like DSV, operating in the global transport and logistics space have in fact grown their year-on-year India region revenues at 68% and gross profits at 50%.

“We have been able to achieve this success due to a few reasons. One is that we always try to maintain an above market growth rate. In addition to that the benefits of the Panalpina acquisition have started showing. We are seeing the value of catering to new customers and businesses and a substantial increase in the freight rates. For us, pharmaceutical and chemical verticals have done well and fashion now is slowing picking up," says Sameer Khatri, Regional Director – In Subcontinent & MD India, DSV.

For supply-chain firms catering to FMCG, the bullwhip eflect created inefliciencies and disruptions in the early part of the lockdown. Now, both manufacturers and logistics companies have learnt to deal with them. "The lockdown, havi g led to a higher demand for essential items and a subdued demand in luxury items, retailers are faced with inventory exhaustion. Online delivery options have boomed and retailers are severely challenged on operating margins and models. Hoarding of essential items causes unnatural spikes in demand and supply fluctuations. The resultant bullwhip eflect in the entire supply chain, led to artificial shortages," says Raaja Kanwar.

Most supply-chain firms have been able to cater to this capacity starting in August. In addition to capacity building, each of them is focused on building a USP that can diflerentiate them from the rest. " Apart from providing transportation services of raw materials and inter-operational goods movement from one unit to another at 30 locations in India, we're also supporting our clients with warehousing facilities; which forms an integral part of the supply chain," says P.Sundarraj, MD, Subham Freight Carriers India.

The upgradation of warehouse management solutions is emphasized even by large manufacturers. "We've introduced a digitalized Warehouse Management System that will further improve stock accuracy and traceability, while reducing obsolescence by ensuring FIFO/shelf life monitoring. The upgraded WMS will also enable tracking of parts within the warehouse, including pre-defined storage locations, storage levels and optimization of material flow using advanced put- away and picking techniques," says Satyakam Arya, MD & CEO, Daimler India Commercial Vehicles (DICV).

DICV also created a 65 page manual of restart procedures with all the new health, hygiene and safety processes included to ensure a safe ramp up of production. Knowing that smaller companies wouldn't have access to that kind of resource on their own, they made it accessible to their partners. Thus, the company which already has a 90% localization rate in India, used the supply-chain disruption in the March-September period to further strengthen its systems and relationships in the country.

Players that have focused on the well-being of their employees in addition to digitalization, have been most adept at getting operations to pre-Covid-19 levels. Brenntag, a global chemical distribution company with a large presence in India has provided its supply chain stafl with furnished accommodation near the warehouse. They've also catered to the provision of daily amenities which has reduced the risk of getting infected and improved employee efliciency.

Additionally, the company's digital platform DigiB seamlessly transitioned them to a virtual way of working.

"The pandemic has changed the buying behavior of customers and is more pronounced in the retail segment. While customers in the industrial segment still resort to the traditional ways of procurement and supply, most customers have now realized the benefit of working with reliable partners who have strong QHSE norms and thereby ensure sustainability of business. During these times, consistent delivery of material which would prevent production stoppage is top priority," says Balakrishna L, Managing Director, Brenntag.

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During the lockdown, the government's policy in terms of international travel has helped to make more air freight capacity available again. This was needed to meet the demand of exporters and importers. Now, supply chain companies

are hoping to get certain waivers and concessions like moratorium extensions, waiver of interest, state tax waiver, Insurance waiver and toll tax waivers from the government. Other improvements in supply chain management which include road and infrastructure facilities, reduced check posts and faster process related to e-payment will also be beneficial for the industry.

Important initiatives, such as the Air Freight Station policy or the digitalization of customs, were pushed back due to the pandemic. However, as business slowly returns to normal, industry insiders are hopeful the National Cargo Policy to make India a global logistics hub is well implemented. While all players are keen on the steps being taken by the government on self-reliance they believe that a parallel open-ecosystem will give local industries incentive to improve and be globally competitive. The sector is hopeful of regaining lost ground and functioning at an optimal level as demand resumes.

(Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of www.economictimes.com.)

Source : economictimes.indiatimes.com

UNION BUDGET 2020-21 PLACES THE AYUSH SECTOR ON A SUSTAINABLE PATH OF GROWTH, SAY SECTORAL EXPERTS

The **Union Budget 2021-22** has brought out numerous enablers and catalysts which the AYUSH Sector can tap, and taken together, they place the Sector on a sustainable path of growth, according to a panel of experts who interpreted the Budget for the AYUSH Sector recently.

Budget 2021-22 presented by the Union Finance Minister Nirmala Sitharaman on Monday allocated [1] 2,970.30 crore to Ministry of AYUSH for the next fiscal year marking an increase of 40% of the corresponding figure (Rs.2122.08 Cr) of the current fiscal. Further, when the revised allocation of Rs. 2322.08 of the current fiscal is considered, the allocation marks an increase of 28%. To understand the impact of the current union budget on the AYUSH Sector and explain the same to the stake-holders, the Ministry of AYUSH organised a Panel Discussion on the topic "Implications of Union Budget 2020-21 for the AYUSH Sector" on 4th February 2021 in the digital mode. Representatives from the Industry, service sector, media, government and AYUSH practice joined the discussion, which was streamed through various digital platforms on 6th February 2021.

Shri Ranjit Puranik MD & CEO, Shree Dhootapapeshwar Ltd. and a representative of the AYUSH industry, was of the view that the Budget is part of a policy continuum which incorporates many of the views espoused in the recent past by the AYUSH industry, AYUSH Ministry and other stake-holders of the Sector. He cited various pointers from the Budget and said that scientific studies in AYUSH would increase and give impetus to AYUSH as a medical stream. He recollected that Rs 4000 crore was recently earmarked for the National Medicinal Plants Board (NMPB) for backward integration projects dealing with medicine plants. He added that about 8800 units are part of the AYUSH industry in India, and they are poised to capitalise on the various booster provisions that this Budget offers to the industry.

Shri Rajiv Vasudevan, MD & CEO, Ayur VAID Hospitals, and Chairman, CII Ayurveda Group while welcoming the increase in outlay for AYUSH Sector, said that the bigger picture lies in the integrated vision for the broader healthcare sector (of which AYUSH is a part) which emerges from a closer look at the last few Budgets. There is roughly a 7% increase in outlay for the healthcare sector year by year. There is a health system perspective underlying these increasing allocations. He indicated that the impetus that the AYUSH Sector can draw from this Budget goes beyond the compartmentalised allocations to the sub-sectors. Even a goal-defined project like the National Research Foundation, with its Rs. 10,000 cr outlay for 5 years, is a potential catalyst for the Ayurveda Sector, since a small proportion of this allocation is sufficient to produce world class evidence in a few areas of Ayurveda. Presenting some statistics, Shri Vasudevan said that the increasing funding in the AYUSH Ministry on International Cooperation is a sign of how AYUSH Healthcare systems are contributing to India's growing soft power. Spending on AYUSH delivery systems has increased from Rs 122 Crore in previous year to Rs 299 Crore this year, in turn leading to enhanced outcomes at ground level. The increase in allocation for the Champions in Services Sector Scheme from Rs. 15 crores in the previous year to Rs 150 crores in the current year was striking, as it helps the Sector to acquire competitiveness in a global perspective. He added the larger Budget allocation for 2021-22 can continue to energise these activities and that the added funding will strengthen the AYUSH.

Dr. Geetha Krishnan, an Ayurveda expert presently working as Technical Officer in the Traditional Medicines Unit of the WHO described what this Budget represents for the AYUSH Sector as "growth and continuity". Tracing the decadal trend in the 300% growth of outlay for AYUSH, he explained how the current Budget integrates the Sector into the country's overall growth pattern. The influence of National Health Policy, 2017 has been visible in the government-led growth in healthcare infrastructure in the past 3 years, and has helped the AYUSH systems to grow faster and receive increased funding support. He mentioned that the building blocks of growth are coming into place and emphasised that it is important for AYUSH to become part of every healthcare system.

Inputs of **Shri Udit Sheth, Vice President, National Yoga Asana Sports Federation,** were mostly from the perspective of Yogasana and sports, and he said that the Budget has in it the necessary support to make Yogasana a global pursuit. The increasing impact of AYUSH as a sector of the Indian economy in present times is no doubt significant, but this union budget goes further beyond. It has brought out enablers and catalysts, and it is now time for the Sector to grab the opportunities and take Indian traditional medicine to the world. By making AYUSH an appealing platform, our education and culture can be exported and India can become a wellness hub.

Adding to the discussion, **Senior News Editor of Amar Ujala, Shri Shashidhar Pathak,** emphasized on words like fitness and stress-free life, and the role of AYUSH in achieving these. He spoke about the acceptance of AYUSH during COVID-19 and said that the current Budget creates avenues for growing opportunities for traditional medicine. Going beyond an empowering entrepreneurial environment, there would be enough impetus for scientific research also, and this will help AYUSH to gain public confidence at the global level. He was confident that the Budget provisions for farm sector, especially the initiatives to boost farm incomes will lead to significant growth in medicinal plant cultivation. Shri Pathak was also of the opinion that there were various provisions in the Budget which could be tapped into for promotion of Yoga, considering that Yoga has a wide spectrum of beneficiaries from virtually every walk of life.

Dr. J.L.N. Sastry, CEO, National Medicinal Plants Board who moderated the Panel concluded by expressing happiness about the rich discussions that resulted from the session thanks to the insights the experts brought to the table. The Budget provisions were not in compartments any more, and the AYUSH Sector has acquired the maturity to grasp and make use of the inter-linked weave of opportunities that has been rolled out. The major pointers towards investment opportunities, scientific studies and active branding of AYUSH were underlined. The emerging entrepreneurial environment to which the Budget has significantly contributed, holds much potential to take Indian traditional Medicine to the world, in line with the already-visible trend of wider global acceptance of Yoga and Ayurveda.

Source: AYUSH

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UNION BUDGET 2021: SETTING THE RIGHT MOOD FOR LOGISTICS

VIKASH KHATRI, FOUNDER, AVIRAL CONSULTING PVT LTD.

Indian economy is already on V-shaped recovery path and recovery of logistics is completely aligned to it. Union Budget 2021 gives a favorable outlook for the logistics sector. In this budget there is no major immediate positive announcement for the sector, but it sets the right direction for growth of the sector.

Budget provisions that might have an impact on the sector are as follow:

Manufacturing has a very high correlation with logistics activities. Budget 2021 has a very clear focus on increasing manufacturing capabilities and paving the way for an "Atmanirbhar Bharat". Government has committed nearly INR 1.97 lakh crores, over 5 years starting FY 2021-22 in 13 sectors for production linked incentive (PLI). This scheme is definitely going to attract investment in manufacturing and consequently boosting logistics and supply chain industry.

Budget 2021 has a sharp increase in allocation for capital expenditure by 34.5% to INR 5.54 lakh crores, which will have a positive impact on logistics activities.

The National Infrastructure Pipeline (NIP) which was announced in December 2019 is a project to provide world-class infrastructure to citizens and improving their quality of life. Budget 2021 has reaffirmed the government's commitment to NIP. Out of 7400 projects in NIP, around 18% are in the road sector and 12% are in railways. Such large infra projects in rail and road create a backbone for the growth of the sector. On road transport and highway, outlay has been increased by more than 9% to INR 1.18 lakh crore. On rail freight side, apart from completion of two ongoing dedicated freight corridors, Government has planned to undertake Detailed Project Report for next 3 dedicated freight corridors: East Coastal Corridor, East-West Corridor, North-South Corridor.

On the shipping and port infrastructure front, that Major Ports will be moving from managing their operational services on their own to a model where a private partner will manage it for them, is a very positive step towards improving the efficiency of ports. For this purpose, 7 projects worth more than INR 2,000 crores will be offered by the Major Ports on Public Private Partnership mode in FY21-22.

Announcement of scrappage policy and fitness check after 15 years for commercial vehicles will not have a very significant impact on the sector. Most of such old vehicles exist in the semi-urban and rural market and contribute very low in the overall transport value chain. It will help the environment and ease the process of scrapping the old commercial vehicles.

On fuel price side, the industry has not got any relief from the price hike. Government has imposed Agriculture Infrastructure and Development Cess on Petrol and Diesel and correspondingly reduced Basic Excise Duty and Special Additional Excise Duty with no impact on the final price to the customer.

In post-budget sessions of the equity market, Sensex registered almost 5% growth while most of the logistics shares registered negligible to no growth. This shows a very cold response of analyst toward the sector from this budget. However, in my opinion, this budget will help in the growth of the sector in the longer run.

Source : logisticsinsider.in

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BUDGET 2021 IS A SHOT IN THE ARM FOR INDIA'S WAR ON AIR POLLUTION

S. N. TRIPATHI, MEMBER, STEERING COMMITTEE NATIONAL CLEAN AIR PROGRAM

Synopsis : Finance Minister Nirmala Sitharaman announced three unique features: the re-use of scrap metal, the new vehicle scrapping policy, an the conception of the National Research Foundation (NRF).

Just like the vaccine shots for **Covid-19**, **Budget 2021** has come as a shot in th arm for India's war on air pollution. The allocation of Rs2,217 crore to tackle the issue across 42 urban centres comes at the perfect time. There seems to be a sharp decline in the country's Covid cases and a corresponding uptick in economic activity. Moreover, our cities are known hotbeds of air **pollution**, so it is commendable that the budget also allocates an additional Rs470 crore to the National Clean Air Program (NCAP).

Finance Minister **Nirmala Sitharaman** announced three unique features: the **re- use of scrap metal**, the new **vehicle scrapping policy**, and the conception of the **National Research Foundation** (NRF).

Because manufacturing metal — from mining its ore to forging it in a foundry — is so emissions-intensive, the provision to reuse scraps of steel and copper will certainly reduce air pollution from India's metals industry. We produce about several thousand tonnes of scrap every year. So, the potential for emissions reduction was clearly spotted by GoI.

Two, GoI's new vehicle scrapping policy has been a long time coming. Even though it is voluntary, owners of vehicles older than 15 years (commercial) and 20 years (private) will have the option to recoup some amount of cash at the end of their vehicles' lives. While the exact details are yet to be made available, it is fair to assume that owners would recover more through this scheme than if they discarded the vehicles at a non-authorised scrapyard. This should also dovetail nicely into GoI's scrap metal initiative.

Three, the conception of NRF with a budget of Rs50,000 crore is an enormous leap forward into incorporating more science into the objective. Source apportionment studies have shown that around 70% of Delhi's pollution load comes from within the city itself. The same problem is surfacing in the expanding suburbs of Mumbai, Kolkata and smaller cities like Pune. Such insight is critical for a city's pollution management taskforce and would not have been possible without rigorous scientific assessment. Thus, NRF could not have come a moment sooner. It will not only push scientific investigations to find causes of pollution but also help spur innovations that can be scaled across the sectors of agriculture, industry and construction to curtail unnecessary waste and emissions.

Additionally, the budget has allocated Delhi's Commission for Air Quality Management (CAQM) its own independent funding of Rs20 crore, and, therefore, considerable autonomy in its operations. This could be pivotal as the city did not receive funds under NCAP, and CAQM is unique in its role to address pollution in the Delhi airshed, not limiting to administrative limits. Also, GoI's new waste management policy aims to tackle the issue at the source itself (such as landfills). Scattered incineration of household and street waste contributes to hyper-local air quality, so it'll be necessary to monitor the initiative's progress. But it's certainly a positive step forward.

However, what's most encouraging is that there will be a comprehensive performance assessment mechanism put in place under NCAP that will receive additional funding. These will be coupled with a system of imparting capacities and providing continuous training to urban local body (ULB) personnel, state pollution control board (SPCB) oflicials and institutes of repute under the National Knowledge Network (NKN).

The budget, therefore, correctly aims to bring together India's premier research and training institutes, such as the Indian Institutes of Technology (IITs) and National Institutes of Technology (NITs), to impart requisite technical skills for program implementation stafl.

Of course, it does have areas that need attention. For example, even though GoI plans to extend an additional 1 crore natural gas connections under the Ujjwala scheme, incentivising solar cookers for rural households would have bee advisable as well. The two technologies complement each other, and would have been a good opportunity to spur additional manufacturing capacity, perhaps within the rural communities themselves.

Yet, overall this year's funding for air pollution makes way for exciting possibilities. GoI's complementary focus on expanding electric public transport will play a major role in alleviating vehicular pollution, and reports indicate that the sales of electric two-wheelers are already up by anywhere between two to ten times that of 2020. The synergy between e- mobility and strong steps forward in policy will reinforce each other, and hopefully the additional funding will be the key to unlocking a focused pursuit of good air quality.

(Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of www.economictimes.com.)

Source : www.economictimes.com

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BUDGET 2021: DIGITISATION, ROBUST WAREHOUSING INFRASTRUCTURE KEY TO SOLVE PITFALLS IN LOGISTICS SECTOR

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Unprecedented in its scale and spread, the outbreak of the COVID-19 pandemic battered world economies, threw global supply chains into disarray, and brought international trade and commercial activity to a complete standstill. The pandemic put the Indian economy into a tailspin and exacerbated the downturn across several key economic sectors.

The pandemic has created a slew of operational challenges for the $160 billion Indian logistics sector as well, yet it remained largely functional and facilitated the smooth movement of goods and services despite the labour and cash-flow issues.

Trucks plied at the peak of the lockdown, warehouses maintained operational efficiency despite harsh curfews, and Exim supply chains continued to operate seamlessly. Though India's logistics sector has largely remained resilient to the adverse effects of the pandemic, it seeks the unveiling of key policy measures in the Budget 2021 that would help the industry bolster the nation's growth trajectory.

The priority focus of the budget should be to encourage the adoption of digital tools and solutions across the logistics value chain through a digitalisation transformation strategy. Digitalisation will lead to an improvement in the functional parameters of freight operations and provide data-driven insights into port management. It has the potential to facilitate the creation of a sustainable and streamlined supply chain management.

With a view to create a favorable ecosystem for enabling large-scale tech adoption, it is highly important to attract and sustain the right global VC funds by fostering a private sector investment climate, rather than solely depending on government-managed funds.

A key focus area of the budget should also be equipping workforces in the logistics arena with the right technological skillsets and know-how to tackle crucial infrastructural and operational challenges. As India rapidly transitions to a digital economy, it is vital for younger personnel entering the logistics and supply chain domain to develop the requisite technological competencies and knowledge to handle global supply chain complexities.

Rising diesel prices are adversely impacting the fuel efficiencies of logistics companies. High fuel costs are eroding the wafer-thin profit margins of logistics players as it is not possible to pass on the additional cost to clients. The government needs to ensure that fuel prices remain stable and do not fluctuate to make freight transport fuel-efficient and maintain visibility on direct costs.

The government also needs to review the 28% GST on new trucks. It is also important for the government to offer tax incentives on the replacement of old trucks with Bharat Stage- VI compliant new trucks which facilitate lower emissions and offer fuel price optimisation. Transportation and warehousing form one of the highest operating expenditures of the overall logistics cost. An exponential rise in online transactions has triggered the demand for the setting up of multi-level Grade-A large-format in-city warehouses and distribution centers to reduce last-mile timelines and offer seamless connectivity to customers.

Grade-A warehousing infrastructure is a key factor in reducing the cost of transport and minimising the storage-linked damage and pilferage of goods. Moreover, large format warehousing eases the process of shifting to a multimodal transport framework leading to optimisation of costs. To enable the setting up of warehousing clusters across the country, the government should simplify land acquisition policies by placing emphasis on digitisation of land records.

There should be single-window approvals for expediting the process from acquiring land parcels to starting the construction of warehouses in Tier -2 and 3 cities of the country. There is also an urgent need to relook at master zoning plans for important Tier-1 markets like NCR, Bhiwandi, Hyderabad, Bengaluru, and Ahmedabad to carve out dedicated warehousing zones.

Despite a surge in demand from the industry, important warehousing markets like Bhiwandi are struggling to expand to Grade-A warehousing. The central government will need to intervene and formulate industry-friendly policies to position such markets as key warehousing hubs rather than leave it to the discretion of state governments.

Environment, Social, and Governance (ESG) is emerging as a core non-financial factor while determining risks and growth opportunities associated with high-quality warehousing assets. The ESG credentials of players will play a key role in boosting investor confidence while regulating the deployment of resources in the construction of environmentally compliant Grade-A warehouses.

The government will need to focus on initiatives like tighter regulation of greenhouse gas emissions, reduction of carbon footprints, and promoting the use of solar roof panels.

Source : www.businesstoday.in

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BUDGET 2021: AMENDMENTS PROPOSED IN SECTION 74, 107, 151, 152 & 168 OF CGST ACT, 2017

BIMAL JAIN

GST Charcha on Union Budget 2021: Amendments proposed in Section 74, 107, 151, 152 & 168 of CGST Act, 2017

The Hon'ble Finance Minister, in Budget 2021-22, hailed as a 'development-oriented' and 'visionary' budget amid the pandemic-induced disruptions, inter alia, announced multiple changes to the Goods and Services Tax (**GST**) framework. The changes have been proposed vide the **Finance Bill, 2021**, that amends the **Central Goods and Services Tax Act, 2017** (**CGST Act**) and the **Integrated Goods and Services Tax Act, 2017** (**IGST Act**), in order to ease doing of business, curb input credit frauds, safeguard Government revenues and to provide statutory backing to debated Rules.

This GST Charcha deciphers into recent changes in GST Laws made vide Clause No. 104, 107, 110, 111 and 112 of the Finance Bill, 2021 with respect to amendments in Section 74, 107, 151, 152 and 168 of the CGST Act.

Relevant provisions:

- Explanation 1(ii) of the Section 74 of the CGST Act is proposed to be amended:

"74. Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful-misstatement or suppression of facts:

Explanation 1.- For the purposes of section 73 and this section,-

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under **sections 122 and 125** are deemed to be concluded."

- Proviso to Section 107(6) is proposed to be inserted:

"107. Appeals to Appellate Authority

(6) No appeal shall be filed under sub-section (1), unless the appellant has paid-

(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and

(b) a sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order subject to a maximum of twenty-five crore rupees, in relation to which the appeal has been filed.

Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of the penalty has been paid by the appellant"

- Section 151 of the CGST Act is proposed to be substituted:

"151. Power to collect statistics.

The Commissioner or an officer authorised by him may, by an order, direct any person to furnish information relating to any matter dealt with in connection with this Act, within such time, in such form, and in such manner, as may be specified therein."

- Section 152 of the CGST Act is proposed to be amended:

"152. Bar on disclosure of information.

(1) No information **of any individual return or part thereof** with respect to any matter given for the purposes of section 150 or section 151 shall, without the previous consent in writing of the concerned person or his authorised representative, be published in such manner so as to enable such particulars to be identified as referring to a particular person and no such information shall be used for the purpose of any proceedings under this **Act without giving an opportunity of being heard to the person concerned.**

~~**(2) Except for the purposes of prosecution under this Act or any other Act for the time being in force, no person who is not engaged in the collection of statistics under this Act or compilation or computerisation thereof for the purposes of this Act, shall be permitted to see or have access to any information or any individual return referred to in section 151**~~"

- Section 168(2) of the CGST Act is proposed to be amended:

"168. Power to issue instructions or directions.

The Commissioner specified in clause (91) of section 2, sub-section (3) of section 5, clause (b) of sub-section (9) of section 25, sub-sections (3) and (4) of section 35, sub-section (1) of section 37, sub-section (2) of section 38, sub-section (6) of section 39, **section 44**, sub-sections (4) and (5) of section 52, sub-section (1) of section 143, except the second proviso thereof, **sub-section (1) of section 151,** clause (l) of sub-section (3) of section 158 and section 167 shall mean a Commissioner or Joint Secretary posted in the Board and such Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board."

Discussion and Comments:

- **Recovery of tax vs. Seizure and Confiscation:**

Amendment has been proposed in Explanation 1(ii) of Section 74 of the CGST Act so as to make seizure (Section 129 of the CGST Act) and confiscation of goods and conveyances in transit (Section 130 of the CGST Act), a separate proceeding from recovery of tax under Section 73 (determination of tax in non-fraud cases) or Section 74 (determination of tax in fraud cases) of the CGST Act.

With this amendment getting notified, conclusion of proceedings under Section 73 or 74 of the CGST Act against the main noticee will now mean conclusion of proceedings under Section 122 and 125 of the CGST Act (i.e., penalties) but not the proceedings against co-noticees under Section 129 and 130 of the CGST Act even if the main person liable to pay tax has discharged his liability and proceedings against him have been concluded.

Pre-deposit for Appeal before Appellate Authority:

It is proposed to insert a proviso to Section 107(6) of the CGST Act, to provide that appeal against order passed under Section 129(3) of the CGST Act in Form MOV-09, can be filed before the Appellate Authority only after depositing 25% of the penalty imposed to the department.

It is to be noted that there is a requirement to deposit 10% of the disputed tax liability as pre-deposit in case of first appeal, which is proposed to be increased to 25% of the penalty amount in case of detention and seizure of conveyance and goods during transit.

- **Power to collect statistics**

It is proposed to substitute Section 151 of the CGST Act, in a manner to empower the jurisdictional commissioners to call for information from any person relating to any matter dealt with in connection with the CGST Act, within such time, in such form, and in such manner, as may be specified therein.

Correspondingly, Section 168 of the CGST Act has been amended to omit the power of the jurisdictional commissioner to exercise powers under Section 151(1) of the CGST Act.

- **Bar on disclosure of information:**

The proposed amendment to Section 152(1) clarifies that no information obtained under Sections 150 of the CGST Act and Section 151 of the CGST Act, shall be used by the commissioner or any officer authorized by him, for the purposes of any proceedings under CGST Act, without giving an opportunity of being heard to the person concerned.

Note: Amendments carried out in the Finance Bill, 2021 will come into effect from the date when the same will be notified and when the said clause also gets concurrently notified with the corresponding amendments passed by the respective States and Union territories in respective SGST/ UTGST Act.

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Source: A2Z Taxcorp LLP

BUDGET 2021: PUBLIC-PRIVATE PARTNERSHIPS, LOGISTICS, TRANSPORT AND INFRA

RASHI VARSHNEY

Finance Minister NirmalaSitharaman shared that the government has prepared a National Rail Plan for India – 2030, and that major ports will be moving from managing their operational services on their own to a model of Public-Private Partnership

With a focus on reviving the economy, the government has announced a few key proposals to push for Infra Development. Announcing the Union Budget 2021, Finance Minister NirmalaSitharaman shared that the government has prepared a National Rail Plan for India – 2030. "The plan is to create a 'future ready' Railway system by 2030, bringing down the logistics costs for our industry is at the core of our strategy to enable 'Make in India'," she said. She announced that 100 percent electrification of all Broad gauge routes will be completed by December 2023.

The FM said that by 2030, the government also plans to boost the share of public transport in urban areas, and a budget of Rs 18,000 crore has been laid out for the same.

"We will work towards raising the share of public transport in urban areas through expansion of metro rail network and augmentation of city bus service. A new scheme will be launched at a cost of 18,000 crores to support augmentation of public bus transport services. The scheme will facilitate deployment of innovative PPP models to enable private sector players to finance, acquire, operate and maintain over 20,000 buses. The scheme will boost the automobile sector, provide fillip to economic growth, create employment opportunities for our youth and enhance ease of mobility for urban residents," she said.

Zooming in on transport, the FM also added that the National Highways Authority of India (NHAI) will be encouraged to pursue "greater commercialisation of highways to raise finance". Besides proposing highway works in several states such as Tamil Nadu, West Bengal, Kerala and Assam, the Minister also mentioned that the eastern and western dedicated freight corridors will be commissioned by June 2022. Moreover, a section of these will be made through the public-private partnership model, with the Indian Railways also monetising these corridors.

For the National Infrastructure Pipeline (NIP), the government said in the last budget that it would spend Rs 103 lakh crore over a five-year-period across 65 projects spanning various sectors such as housing, energy, healthcare, clean water, irrigation, transport terminals, logistics, and warehousing. The FM did not mention any details about the ongoing National Logistics Policy work that was announced in the last budget, which was about creating a single-window e-logistics market and on the generation of employment, skills, and making MSMEs competitive."

The FM also added that major ports will be moving from managing their operational services on their own to a model where a private partner will manage it for them. For this purpose, seven projects worth more than Rs 2,000 crores will be offered by the major ports on Public-Private Partnership mode in FY21-22.

On these announcements, VipinSondhi, MD & CEO, Ashok Leyland said that the commitment to augment our country's road infrastructure with projects for building 8,500 km of highways and economic corridors augurs well for surface and road transport. Secondly, aRs 18,000-crore scheme to augment public transport in urban areas with the addition of 20,000 new buses in a PPP model would ensure cleaner and efficient public transportation and ease congestion.

"Overall the budget presented during these difficult times has laid emphasis on increasing economic activity and is a step in the right direction for renewed economic resurgence," he added.

Source: budget.yourstory.com

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COLD CHAIN INDUSTRY SET TO EMERGE AS SUNRISE SECTOR WITH HIGH INVESTMENT POTENTIAL POST-COVID

SRINIVAS N

The domestic and offshore funds are expected to diversify their portfolios and continue to invest in high yielding cold chain assets and many foreign institutions are exploring opportunities to invest in this growth sector.

The Cold Chain industry in India has been shunned for a long time due to the requirement of high initial and operating costs, and lack of adequate infrastructure. However, the stakeholder sentiment is beginning to change. The cold chain sector is being termed as the sunrise sector gauging its indispensability and the investment potential in the near future. Thanks to the government's continuous efforts and favourable policies such as providing infrastructure status to cold chain industry, profit linked tax holiday, priority sector lender and lower GST, the sector is developing at an accelerated pace.

Additionally, the government's decision to exempt service tax for cold chain services such as pre-conditioning, pre-cooling, ripening, waxing and retail packing among others, and excise duty exemption for refrigeration machinery and parts used for the installation of cold storage or refrigerated vehicle have only boosted the segment. There is, however, still a considerable gap between existing capacity and the requirement of cold chain infrastructure in the country. This gap presents a significant opportunity for stakeholders associated with the industry.

Factors contributing to the emergence of this sunrise sector : Growth in the organized food delivery and e-commerce segments remains a key driver for the cold chain sector in India. Food retailing has come of age and the growing penetration of organized food retail in the country has dictated the development of efficient cold chain supply management.

Other factors acting as catalysts for the cold chain industry include a rising emphasis on reducing food wastage and government initiatives. For example, FDI up to 100% is allowed and viability gap funding up to 40% of the project cost. The development of a "one-stop-shop" model to offer end-to-end logistics solutions has been favoured by India's Cold Chain industry. It is moving towards greater efficiency, optimizing end-to-end logistical progress, providing one-stop-shop cold chain solutions, and taking benefit of the growing number of Third-party players (3PL). The upward trend towards outsourcing temperature-controlled logistics leads to demand for end-to-end supply chain services in this sector. Other than storage and distribution, the cold chain operators will be expected to provide value-added services like order processing, kitting, packaging, sorting, grading, etc. to create new revenue streams.

Developers are expanding into Tier II and Tier III cities as well. Such changes have led to a massive spurt in the food service industry, resulting in the cold chain requirements. The OPEX (operational expenditure) model is likely to emerge over the CAPEX (capital expenditure) model as many cold chain operators may give more attention to cash flow optimization, as it is a better alternative to buying land and building the facility.

New horizons for cold chain industry : The cold chain industry's growth will demand a more skilled workforce in various realms such as drivers, forklift/reach truck operators, refrigeration technicians. In this context, the government's Skill India Initiative with a significant focus on training and skilling will help boost the sector in a big way. With the COVID-19 vaccine roll out in January 2021, the Indian government and cold chain private operators are gearing up to store and deliver vaccine products. The bulk of vaccines in India will be distributed by the Central Government Universal Immunization Programme (UIP) mechanism. According to the Ministry of Health and Family Welfare, the government expects to receive and utilize 400-500 million vaccine doses for COVID-19 and cover approximately 20-25 crore people by mid-2021.

The safe delivery of vaccines for mass immunization against COVID-19 requires huge cold chain facilities in the country as the vaccine product requires refrigeration or frozen condition for storage. India being the second largest country in the world in terms of population and with the second highest number of COVID cases in the world, it requires about 2-3 years for complete immunization against COVID-19. This will create sustained business opportunities for private cold chain players in storing, transportation and distribution of COVID-19 vaccine products. Operating costs for the cold storage business in India are higher compared to the western countries. Operators are likely to adopt energy-efficient practices as part of their strategy to reduce operating costs. These practices include energy recovery systems, water reclamation systems, solar energy, refrigeration plugins; energy-efficient designs of refrigeration equipment and automation are some of the innovative features.

In addition, the market is likely to witness the adoption of cost-effective technologies like Radio-frequency Identification (RFID), Track Management System (TMS), Order Management Systems (OMS), and Warehouse Management Systems (WMS) in the near future. Investors are confident that the cold chain is a safe bet for their capital investment. The domestic and offshore funds are expected to diversify their portfolios and continue to invest in high yielding cold chain assets and many foreign institutions are exploring opportunities to invest in this growth sector.

Investors remain focused on facilities supporting 'First-mile delivery '. The growing middle class and young age population in India have become accustomed to e-Commerce and door-to-door deliveries, furthering the demand for refrigerated deliveries. Disclaimer: The views expressed in the article above are those of the authors' and do not necessarily represent or reflect the views of this publishing house. Unless otherwise noted, the author is writing in his/her personal capacity. They are not intended and should not be thought to represent official ideas, attitudes, or policies of any agency or institution.

Source: businessworld.in

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GEM REGISTRATION - GOVERNMENT E- MARKETPLACE

PRIYANKA SHARMA

Do you wish to sell goods to the Government ? If yes, then you can do so by registering on **GEM Portal** which is a E-marketplace for selling goods to the government through Online bidding. To know more about this, read the complete article.

Introduction

- E market place set up for procurement and selling of goods and services by Government/PSU's
- Launched by Commerce and Industry Minister on 9th August, 2016
- Over 150 products categories where about 7400 products listed and Wide range of Services listed on GEM POC Portal
- Transparent, Efficient and secure e- medium for purchasing and selling of goods and services

Benefits and Facilities

- A Complete Paperless, Cashless and Technology Driven portal
- Facilitates procurement and sale of goods and services by Government/PSU's
- One stop marketplace for buyers to choose among wide range of goods and services
- Return policy available
- One stop solution for sellers for e-bidding/reverse auction on goods/services
- Compare prices from different sellers
- Vendor rating system available on the portal

Buyers under GEM Portal

1. It means Contract Placing Authority, includes-

- Central/State Government Ministries/Depts. (Including Attached/ Subordinate officers)
- Central/State Public Sector Units
- Autonomous Bodies acting through Authorized officers for and on behalf of President of India/Government of state/PSUs/Autonomous Bodies

Sellers/Service Providers under GEM Portal

1. It means any legal entity including-

- Sole Proprietorship
- Partnership Firm
- LLP
- Company(Private/Public)
- Limited Company
- Trust/Societies
- Other Statutory Bodies

2. It can be either Original Equipment Manufacturer (OEM) or Seller having authorisation to sell products manufactured by OEM in open market
3. In case of Services related to goods also, seller is OEM or Authorised person of OEM.
4. In case of other services, Service provider is legal entity providing services.

Meaning of OEM : It means owner of Brand/Trademark of the product offered for sale or Actual Manufacturer in case of Unregistered brands.

Documents and Information for Registration on GEM Portal

1. **For Buyers :** Buyers account on GEM can only be created by Head of Department

- Adhaar No.
- Government E-mail ID (Designation based)
- Mobile No. Linked to Aadhaar for OTP
- Review and Agree to Terms and conditions before registration

2. **For Sellers**

- Registration shall only be done by Authorised person
- PAN of the Entity's Authorised Person and Entity
- Aadhaar No. and Mobile No. Linked with Aadhaar
- Incorporation certificate (Depends on nature of entity)
- Bank account details
- Registered office details
- Products/ Services to be listed on the portal
- GST No. (In absence of GST No. you will not be able to accept orders beyond INR 2.5 lacs)
- Last 3 years ITR Details (Mandatory if you want to participate in BID/RA)

[Not mandatory if Exempted from filing ITR or incorporated less than 24 months ago]

- DIPP No. and Mobile No. Linked to DIPP (Mandatory for Registration as Startup)
- UdyogAadhaar No. and Mobile No. Linked with UdyogAadhaar No.

How to register on GEM Portal

For Buyers

- Above mentioned details are required to be filed on GEM Portal for registration as a buyer
- Only Head of Department can register on the portal
- But after that they can authorise other officers to purchase on portal

For Sellers

- First a User ID is required to be created on the portal.
- After that you are required to fill relevant details regarding entity, goods or services you wish to list of portal, details regarding primary user who will be the key person on the portal and authorisation of secondary users on portal

Source of the article: https://gem.gov.in/

Source: taxguru.in

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WTO UPDATE

PROGRAMME FOR AID-FOR-TRADE STOCKTAKING EVENT NOW ONLINE

The programme for the Aid-for-Trade Stocktaking Event to be held from 23 to 25 March was published at a Committee on Trade and Development meeting held on 16 February. A webinar organized on the same day looked into the role of Aid-for-Trade in helping countries deal with the consequences of graduation from least-developed country (LDC) status at a time when LDCs are struggling with the impact of the COVID-19 pandemic.

The Aid-for-Trade Stocktaking Event will explore trade and development issues that have come to the fore during the pandemic. These include how to strengthen digital connectivity, promoting recovery among micro, small and medium-sized enterprises (MSMEs) and adapting trade formalities, such as customs and conformity assessment procedures, to combat COVID-19. The event will also look at the impact of the pandemic on global value chains and regional approaches to economic recovery. The programme can be found here.

Aid-for-Trade is a multi-stakeholder initiative seeking to mobilize resources to address the trade-related needs and supply-side constraints identified by developing countries and least-developed countries. The objective is to help these countries play a more active role in world trade. More information can be found here.

At the meeting, WTO members and international organizations focused on initiatives in response to the pandemic. Russia presented measures to promote trade in medical goods and the roll-out of its COVID-19 vaccine. The Asian Development Bank (ADB) outlined its USD 9 billion Asia Pacific Vaccine Access Facility. The World Bank stated that it is deploying USD 160 billion in financing capacity up to June 2021, with over USD 50 billion from the International Development Association on grant or highly concessional terms.

In discussing the outlook for economic recovery, the ADB highlighted that while regional merchandise exports were returning to 2019 levels, recovery in tourism is taking longer due to contracting demand from the advanced economies in 2020. According to the World Bank, recovery could be negatively affected by the international spill-over of containment measures (regarding trade, tourism, remittances and financial channels) and pre-existing vulnerabilities (for example, elevated debt levels). The World Bank said that a further 163 million people could fall back into extreme poverty in 2021.

The International Trade Centre said that some 40 per cent of MSMEs are at risk of permanent closure according to its COVID-19 Business Impact Survey of some 6,000 MSMEs across 130 countries. A presentation on the United Nations Conference on Trade and Development's World Investment Report highlighted how in 2020, foreign direct investment (FDI) flows worldwide have declined by 42 per cent, albeit with significant variation between developed (-69 per cent) and developing countries (-12 per cent) and by region. The presentation also discussed what the reconfiguration of FDI flows might mean for global value chains and developing countries' growth trajectories.

WTO members also updated the Committee on their Aid for Trade activities. The European Union highlighted its Aid for Trade support of USD 13.5 billion in 2018, with 45 per cent of funds going to Africa. The EU added that further funds for COVID-19 recovery could emanate from the 'Team Europe' Approach, resources from the EU, Member States, the European Investment Bank and the European Bank for Reconstruction and Development.

China referred to its COVID-19 support to developing countries, and in particular LDCs, and mentioned a new White Paper on "China International Cooperation in a New Era" that marks the 70th anniversary of China's foreign aid programme. China also referred to its preferential market access scheme for LDCs and its renewed contribution to the China LDC and Accession Programme, which seeks to strengthen LDCs' participation in the WTO and assist governments in joining the WTO.

The Standards and Trade Development Facility, a global partnership aiming to facilitate safe trade in developing countries, highlighted the risk of spread of pests and diseases accentuated by the pandemic and the interconnectedness of global supply chains. This reinforced the need to build food safety, animal and plant health capacity to help facilitate safe trade and promote inclusive growth and resilience for developing countries and LDCs. The STDF cited capacity-building initiatives in Guinea, India, Togo and in Southeast Asia to further develop digitalization, including to deliver training to farmers.

The Enhanced Integrated Framework called for cost-effective collaborative efforts to support developing countries in increasing digital capabilities. Under review are e-commerce readiness assessments and strategy formulation, information and communications technology infrastructure development, trade logistics and access to finance and to services payment solutions. The essential role played by the Global Trade Help Desk was highlighted.

LDC graduation and COVID-19

The webinar on LDC graduation and the role of Aid-for-Trade noted that the socio-economic progress of eleven graduating LDCs is being jeopardized by the impact of the crisis. These are: Angola, Bangladesh, Bhutan, Kiribati, Lao PDR, Myanmar, Nepal, Sao Tomé and Principe, Solomon Islands, Timor-Leste and Tuvalu.(1)

Angola's WTO Ambassador, Margarida Rosa Da Silva Izata, noted an urgent need for international support to effectively respond to the crisis. Improving productivity and competitiveness of LDC economies are key priorities, she noted. Other speakers called for renewing engagement with multilateral economic institutions and improving existing multilateral arrangements in trade, finance and the environment.

Graduating LDCs were encouraged to identify graduation-related financing needs to support the implementation of their national plans. The importance of boosting LDCs' agricultural exports, increasing cooperation and capacity-building were touched upon. It was also highlighted that Aid-for-Trade support to build productive capacity and infrastructure is essential to ensure a smooth transition towards LDC graduation and sustained development progress.

Source: WTO WEbsite

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SHRI H.M. BHATT

01-10-1945 to 21-02-2021

A Generous Heart with Kind Speech & Life of Compassion To *A*lways Remain In Our Minds & Forever In Our Hearts

With deep sorrow & heartfelt grief, we pray for Eternal Peace to **Shri H.M.BHATT** on His Heavenly Abode on **21st February, 2021**. He was Distinguished Member, Board of Studies Member & Past Chairman-Vadodara Branch, Past Vice President (West). He had been our Faculty for Educational Courses / Training Programmes and had contributed a lot in consolidating Educational Activities at Vadodara branch & National level. <u>To Live in our Thoughts with Memories to Cherish Lifelong</u>.

May God bless Pious Soul with Eternal Peace & give strength to family to bear this sudden loss.

MACRO-ECONOMIC FRAMEWORK STATEMENT 2021-22

Overview of the Economy

The Indian economy was negatively impacted by an unprecedented health crisis in 2020-21 with the highly contagious corona virus (Covid-19) spreading across the country. In response to the pandemic, Government has taken several proactive preventive and mitigating measures starting with progressive tightening of international travel, issue of advisories for the members of the public, setting up quarantine facilities, contact tracing of persons infected by the virus and various social distancing measures. Government imposed a strict 21 days nationwide lockdown from 25th March, 2020, under the Disaster Management Act, 2005, with subsequent extensions and relaxations, to contain the spread of Covid-19 while ramping up the health infrastructure in the country. The lockdown measures, imposed to contain the spread of Covid-19 pandemic in India, ubiquitously affected employment, business, trade, manufacturing, and services activities. The real Gross Domestic Product (GDP) growth is projected to contract by 7.7 percent in 2020-21 as compared to a growth of 4.2 percent in 2019-20. GDP growth, however, is expected to rebound strongly in 2021-22 owing to the reform measures undertaken by the Government.

The Government announced a special economic and comprehensive package under Atmanirbhar Bharat of ‘ 20 lakh crore - equivalent to 10 percent of India's GDP – to fight the Covid-19 pandemic in India. Several structural reforms announced as part of the package, inter alia, include deregulation of the agricultural sector, change in definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, Production Linked Incentive Schemes, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms. Apart from this, various steps were taken to boost consumption which, inter alia, includes cash payment in lieu of the Leave Travel Concessions (LTC) scheme, One-time special Festival advance of ‘ 10,000 (interest-free) for central Government employees. Other steps such as Interest-free 50- year loan to states, additional capital expenditure budget for the central Government, launch of Emergency Credit Line Guarantee Scheme (ECLGS) 2.0, ‘ 1.46 lakh crore boost for manufacturing through Production-linked incentives for ten Champion Sectors, ‘ 18,000 crores additional outlay for PM Awaas Yojana (PMAY) –Urban, Equity infusion in National Investment and Infrastructure Fund (NIIF) Debt Platform, Demand booster for Residential Real Estate Income Tax relief for Developers & Home Buyers, Boost for Project Exports, Capital and Industrial Stimulus has been initiated to support economic growth.

Economic growth

As per the first Advance Estimates of annual national income released by the National Statistical Office (NSO), Real GDP is estimated to contract by 7.7 percent in 2020-21, as compared to a growth of 4.2 percent in 2019-20. This contraction in GDP growth is mainly attributed to the contraction in industry and services sector. The growth of Gross Value Added (GVA) at constant (2011-12) basic prices is estimated to contract by 7.2 percent in 2020-21, as compared to a growth of 3.9 percent achieved in 2019-20. Positive growth in real GVA in agriculture & allied sectors at 3.4 percent in 2020- 21 against 4.0 percent in PE of 2019-20 indicates resilience of rural economic activity to the Covid-19 pandemic. From the demand side, private consumption expenditure is estimated to contract at 9.5 percent in 2020-21 as against a growth of 5.3 percent in 2019-20 and fixed investment is estimated to decline by 14.5 percent in 2020-21 as against 2.8 percent in 2019-20. Government consumption final expenditure is estimated to grow at 5.8 percent in 2020-21 as against 11.8 percent in 2019-20. Exports and imports of goods and services are estimated to contract at 8.3 percent and 20.5 percent (at constant prices) respectively in 2020-21.

Prices

Inflation based on Consumer Price Index-Combined (CPI-C) has moderated from 5.9 percent in 2014-15 to 3.4 percent in 2018-19 and 4.8 percent in 2019-20. It averaged 6.6 percent in 2020-21 (Apr-Dec) and stood at 4.6 percent in December 2020. Food inflation based on Consumer Food Price Index (CFPI) declined from 6.4 percent in 2014- 15 to 0.1 percent in 2018-19 and recorded 6.7 percent in 2019-20. It averaged 9.1 percent in 2020-21 (Apr-Dec) and stood at 9.5 percent in November 2020 but drastically declined to 3.4 percent in December 2020. Inflation measured in terms of Wholesale Price Index (WPI) declined from 4.3 percent in 2018-19 to 1.7 percent in 2019-20. It averaged (-) 0.1 percent in 2020-21 (Apr-Dec) and stood at 1.2 percent in December 2020.

The Government constantly monitors the prices situation and has taken number of measures from time to time to stabilize prices of essential food items. These include appropriately utilizing trade and fiscal policy instruments like import duty, Minimum Export Price, export restrictions, etc., to regulate domestic availability and moderate prices; imposition of stock limits and advising States for effective action against hoarders and black marketers; and, provision of higher Minimum Support Prices to incentivize farmers for increasing production. Government also implements Price Stabilization Fund (PSF) to help moderate the volatility in prices of agri-horticultural commodities like pulses, onion, and potato. In the wake of rising prices of pulses, onion and potato, the Government has taken several steps to improve the availability of these commodities and make them available to consumers at affordable prices. These include: (i) Banning the export of onions with effect from 14.09.2020, subsequently, revoked w.e.f 1.01.2021;

(ii) Imposition of stock limits on onion under the Essential Commodities Act, 2020 w.e.f 23.10.2020 to 31.12.2020 to prevent hoarding; (iii) Easing of restrictions on imports, issuance of licenses for imports and reduction in import duties of pulses. These measures have resulted in increased imports of onion, Tur dal and Masur dal in the country and resultant cooling of prices.

For long term price stabilization, the Government has announced a series of measures under the Atma Nirbhar Package viz; Operation Greens project extended from TOP (Tomato, Onion and Potato) to all fruits and vegetables (TOTAL) for better price realization of farmers, reduced wastage and affordability of products for consumers; establishing storage facilities in PPP mode to use irradiation technology for food preservation to assist farmers; Essential Commodities Act, 1955 amended to attract investments in storage and warehousing.

Central Government Finances

The fiscal deficit and revenue deficit for 2020-21 were budgeted at 3.5 percent of GDP and 2.7 percent of GDP respectively. The BE 2020-21 envisaged a tax to GDP ratio of 10.8 percent and total expenditure to GDP ratio of 13.5 percent. The envisaged growth for Gross Tax Revenue was 12 percent over 2019-20 Revised Estimates (RE). The total expenditure in BE 2020-21 was estimated to increase by 12.7 percent over 2019-20 RE. However, the Covid-19 pandemic severely affected the Government revenues, while exerting pressure to increase Government Expenditure.

As per the data on Union Government Finances released by Controller General of Accounts for April-November 2020, the Gross Tax Revenue decreased by 12.6 percent over the corresponding period of the previous year achieving 42.4 percent of the budget estimate. The non-tax revenue declined by 46.6 percent during April-November 2020, over the corresponding period of the previous year achieving 32.3 percent of the budget estimate. At the end of November 2020, the non-debt capital receipts stood at 8.1 percent of the budget estimate.

During April- November 2020, fiscal deficit reached 135.1 percent of the budgeted amount in 2020-21 higher relative to 114.8 percent of the budget estimate during the corresponding period of the previous year. The revenue deficit for April- November 2020 is 139.9 percent of the budget estimate and is higher than the corresponding figure of 128.4 percent in the previous year. The Revised Estimates place fiscal and revenue deficits at 9.5 percent of GDP and 7.5 percent of GDP respectively in 2020-21.

Monetary Management and Financial Intermediation

Monetary policy remained accommodative during 2020. The Monetary Policy Committee (MPC) of the Reserve Bank met five times since March 2020. In view of the Covid-19 pandemic, the MPC advanced its first two meetings of 2020-21 from first week of April to end March and from first week of June to 20th May-22nd May. The repo rate has been cut by 115 bps since March 2020, with 75 bps cut in first MPC meeting in March 2020 and 40 bps cut in second meeting in May 2020. The policy rates were kept unchanged in further meetings, but the liquidity support was significantly enhanced.

During 2020-21, the growth of monetary aggregates witnessed higher growth as compared to previous few years on account of higher liquidity in the economy. In 2020- 21 so far, Reserve money (M0) recorded a Year on Year (YoY) growth of 15.1 percent as on January 1, 2021 as compared to 12.3 percent a year ago. Expansion in M0 during 2020-21 so far was driven by currency in circulation (CIC) from the component side. The growth of Broad Money (M3) stood at 12.4 percent as on December 18, 2020, as compared to 10.4 percent in the corresponding period a year ago. Aggregate deposits contributed the most in the growth of M3.

External Sector

Merchandise exports (customs basis) during 2020-21 (April-December), were US$ 200.8 billion, which declined by 15.7 percent over the level of US$ 238.3 billion in the corresponding period of the previous year. During 2020-21 (April-December), merchandise imports were US$ 258.3 billion, registering a decline of 29.1 percent over the level of US$ 364.2 billion in corresponding period of the previous year. Oil imports declined from US$ 96.7 billion in 2019-20 (April-December) to US$ 53.7 billion in 2020- 21 (April-December). Merchandise trade deficit improved from US$ 125.9 billion in 2019-20 (April-December) to US$ 57.5 billion in 2020-21 (April-December).

Amidst the uncertain and shaky global economic environment affected by Covid- 19, India's external sector has emerged as a key cushion for resilience. In H1: FY 2020- 21, steep contraction in merchandise imports and stable net service receipts led to a current account surplus of US$ 34.7 billion (3.1 percent of GDP). Balance on the capital account, on the other hand, has been buttressed by robust FDI and FPI inflows. These developments have led to an accretion of foreign exchange reserves that rose to US$ 580.8 billion as on December 25, 2020.

The net FDI inflows at US$ 23.8 billion in H1of 2020-21 were higher than US$ 21.3 billion in corresponding period of previous year, an endorsement of India's status as a preferred investment destination amongst global investors. After unprecedented sell-offs in March 2020 reflecting recessionary fears among global investors at the onset of the pandemic, foreign portfolio investment (FPI) witnessed strong rebound and recorded a net inflow of US$ 7.6 billion in H1of 2020-21, more than the level recorded in H1: 2019-20.

The average monthly exchange rate of rupee (RBI's reference rate) was ' 74.66 per US dollar in 2020-21 (April-December), as compared to ' 70.11 per US dollar during 2019-20. As compared to end-March 2020, there was a decrease in external debt of US$ 2.0 billion, which stands at US$ 556.2 billion as at end-September, 2020. However, the external debt to GDP ratio stands at 21.6 percent as at end-Sept, 2020, as against 20.6 percent as at end-March, 2020.

Banking and Non-Banking Sector

Bank credit growth was 6.1 percent as on December 18, 2020 as compared to 7.1 percent in the corresponding period of the previous year. The non-food credit growth (YoY) was 5.6 percent in October 2020, as compared with a growth of 8.3 percent in October 2019. The moderation in credit growth in 2020-21 was witnessed in mostly all the sectors, barring services.

Gross Non-Performing Advances (GNPA) ratio (i.e. GNPAs as a percentage of Gross Advances) of Scheduled Commercial Banks decreased from 8.2 percent at the end- March 2020 to 7.5 percent at end-September 2020. Restructured Standard Advances (RSA) ratio of Scheduled Commercial Banks (SCBs) increased from 0.36 percent to 0.41 percent during the same period. Overall, the Stressed Advances ratio of SCBs decreased from 8.6 percent at the end of March 2020 to 7.9 percent at end- September 2020. GNPA ratio of Public Sector Banks (PSBs) decreased from 10.25 percent at the end-March 2020 to 9.4 percent at the end-September 2020 and the Stressed Advances ratios decreased from 10.75 percent at end-March 2020 to 9.96 percent at end-September 2020. However, this has to be seen in conjunction with the asset classification relief provided to borrowers on account of Covid-19.

Non-Banking Financial Sector

Total assets of NBFCs had increased from '23.41 lakh crore in March 2018 to '29.23 lakh crore in March 2019, and further to '33.91 lakh crore in March 2020, resulting in an annual growth of 16.01 percent during 2019-20 as compared with 24.86 percent in 2018-19. There is an observable shift in the sources of funding of NBFCs. Banks' total exposure to NBFCs increased from '7.01 lakh crores in March 2019 to '8.04 lakh crores in March 2020, and further to '8.17 lakh crores in June 2020.

Agriculture

In 2019-20 (as per Fourth Advance Estimates), total food grain production in the country is estimated at 296.65 million tonnes which is higher by 11.44 million tonnes than the production of food grain of 285.21 million tonnes during 2018-19. Rice production during 2019-20 is estimated at 118.4 million tonnes as compared to 116.5 million tonnes in 2018-19. Wheat production during 2019-20 is estimated at 107.6 million tonnes as compared to 103.6million tonnes during 2018-19. Government has increased Minimum Support Prices (MSP) for all mandated kharif, rabi and other commercial crops. The enhanced MSP ensures a return of 1.5 times overall India weighted average cost of production for the season 2020-21.

Milk production in the country has increased from 146.3 million tonnes (2014-15) to 198.4 million tonnes (2019-20). The per capita availability of milk is at 412 grams per day in (2019-20). The egg production in the country also increased from 103318 million in 2018-19 to 114419 million in 2019-20. The fish production in India has reached an all- time high of 14.07 million metric tons during 2019-20. Overall, the Fisheries sector of India has sustained an impressive average annual growth rate of over 10 percent from 2014-15 to 2018-19.The agricultural credit flow target for the year 2019-20 was fixed at '13,50,000 crore and against this target the achievement was '13,92,469.81 crore. The agriculture credit flow target for 2020-21 has been fixed at '15,00,000 crore and till 21st October, 2020 against this target a sum of '6,95,360.82 crore has been disbursed.

Industry

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity registered a growth of (-) 0.8 percent in 2019- 20 as compared to 3.8 percent in 2018-19. As per the sectoral classification, mining, manufacturing and electricity sectors registered 1.6 percent, (-) 1.4 percent and 1.0 percent growth during 2019-20 respectively. Among the use-based categories, primary goods, capital goods, intermediate goods, infrastructure/construction goods, consumer durables goods and consumer non-durables goods have attained 0.7 percent, (-) 13.9 percent, 9.1 percent, (-) 3.6 percent, (-) 8.7 percent and (-) 0.1 percent growth respectively in 2019-20. The cumulative growth of IIP during April-November 2020-21 is (-) 15.5 percent as compared to 0.3 percent during April- November 2019-20.

The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly 40 percent in the Index of Industrial Production (IIP) grew by 0.4 percent in 2019- 20 as compared to 4.4 percent in 2018-19. The production of refinery products, fertilizers, steel and electricity increased by 0.2 percent, 2.7 percent, 3.4 percent and 0.9 percent respectively during 2019-20while the production of coal, crude oil, natural gas and cement fell by 0.4 percent, 5.9 percent, 5.6 percent and 0.9 percent respectively during the same period. The cumulative growth of eight core industries during April-November 2020-21 is (-) 11.4 percent as compared to 0.3 percent during April- November 2019-20.

Prospects

The stimulus measures and reforms initiated by the Government and liquidity measures by the RBI are expected to support industrial activity and demand. The movement of various high frequency indicators in recent months, points towards broad based resurgence of economic activity. The launch of Covid-19 vaccination programme in the country will further add momentum to the economic recovery. In line with the projections for strengthening of India's growth by multi-lateral institutions, the nominal growth of the economy is expected to be 14.4 percent in the financial year 2021-22.

MACROECONOMIC FRAMEWORK STATEMENT (ECONOMIC PERFORMANCE AT A GLANCE)

Sl.	Item	Absolute value April-December		Percentage change April-December	
		2019-20	2020-21	2019-20	2020-21
Real Sector					
1	GDP at market prices (₹thousand crore) @				
	a)at current prices	20340	19482	7.2	-4.2
	b)at 2011-12 prices	14566	13440	4.2	-7.7
2	Index of Industrial Production(2011-12=100)@@	128.1	108.3	0.3	-15.5
3	Wholesale Price Index (2011-12=100)^	121.7	121.6	1.5	-0.1
4	Consumer Price Index: Combined (2012=100)^	145.3	154.9	4.1	6.6
5	Money Supply (M3) (₹thousand crore)$	16061.6	18059.1	10.4	12.4
6	Imports at current prices *				
	a)In ₹Crore	2562540	1922790	-6.4	-25.0
	b)In US $ million	364184	258272	-7.2	-29.1
7	Exports at current prices *				
	a)In ₹Crore	1677371	1495706	-1.5	-10.8
	b)In US $ million	238274	200802	-2.4	-15.7
8	Trade Balance (US$ million) *	-125910	-57470	-15.1	-54.4
9	Foreign Exchange Reserves (at end March)				
	a) In ₹Crore	3264729	4272332	18.62	30.86
	b) In US $ million	457468	580841	16.28	26.97
10	Current Account Balance (US$ Billion)#	-22.5	34.8		
Government Finances (₹Crore)##					
		April-November			
1. Revenue Receipts		983214	812710	13.0	-17.3
Gross tax revenue		1174143	1026055	0.8	-12.6
Tax (net to Centre)		750614	688430	2.6	-8.3
Non Tax		232600	124280	67.8	-46.6
2. Capital Receipts, of which		836843	1093648	12.6	30.7
Recovery of loans		10910	11962	4.2	9.6
Other Receipts		18099	6179	14.5	-65.9
Borrowings and other liabilities		807834	1075507	12.7	33.1
3. Total Receipts (1+2)		1820057	1906358	12.8	4.7
4.Total Expenditure		1820057	1906358	12.8	4.7
(a)Revenue Expenditure		1606215	1665200	13.0	3.7
(b)Capital Expenditure		213842	241158	11.7	12.8
5. Revenue Deficit		623001	852490	13.0	36.8
7. Fiscal Deficit		807834	1075507	12.7	33.1
8. Primary Deficit		466022	692082	26.5	48.5

@: GDP is from April to March and 2019-20 is provisional estimate and 2020-21 is the first advance estimate.
@@: April to November
^: Provisional for 2020-21 and CPI-C for the months of April-May, 2020 are imputed, which are based on limited set of observations due to Covid-19 pandemic
**: On Customs basis.*
$: as on December 18, 2020
#: April – September.
##: Based on data on monthly accounts for April to November 2020 released by Controller General of Accounts, Ministry of Finance.

Source : Ministry of Finance

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BRANCH NEWS

CHANDIGARH BRANCH

36th Annual General Meeting (AGM) : 36th AGM of the Chandigarh branch held on Sunday 24th Jan 2021 at 11.30 AM at SCO 19 B, Sector 5 MDC Swastik Vihar Panchkula which was attended by around 16 members. In the beginning of AGM, Members remembered the departed soul of Sh.A.K.Saihjpal, Sh.SS Bedi, Sh.A.N.Chaudhari and Sh.M K Bhardwaj by keeping silence for two minutes. after it Chairman of branch, Mr Arun Batra welcomed the members and read out the Minutes of Meeting (MOM) of 35th AGM held on Saturday the 6th JULY, 2019 at 7.30 p.m at Sip –N-Dine Restaurant sector -7C, Madhya Marg, Chandigarh. The house unanimously approved and adopted it.

Branch chairman also presented a report on the activities of the branch held during 2019-20 and thanked the members for the support and faith. He wished the branch a great success. Mr Mohan Nota, Hony. Treasurer presented the duly audited Balance-Sheet and Income & Expenditure accounts for the year 2019-20. The house adopted the same with applause upon proposed by Mr. Manium and seconded by Mr Ashish Saihjpal, Sh. S.K. Sharma, National Councillor and past National President of IIMM spoke high of the branch. He was full praise of team spirits of all the founder members for their over-whelm support whenever called for. He emphasised for the resource generation and mobilisation by enrolling more and more institutional members. Full members from organisations falling in and around Chandigarh for the progress and sustainable growth of the branch.

Mr. Dilip Manchanda, Hony Secretary proposed the vote of thanks to all the members for their presence in the AGM and invited them for refreshment.

THIRUVANNTHAPURAM BRANCH

The Annual General Meeting of IIMM Thiruvannthapuram Branch for 2019-20 was held on 20-02-2021 (Saturday) at 11.30 AM at the IIMM office hall. After ascertaining the quorum, Chairman Dr. Koshy M George declared the meeting open. The meeting started with a silent prayer.

Chairman welcomed the members gathered for the meeting. In his presidential address Chairman briefed the details of the activities conducted during the report period. He expressed satisfaction over the smooth conduct of the 172nd NEC & NC Meeting at Trivandrum during the year which was also appreciated by the visiting dignitaries.

Further, he gave an account of the programmes proposed for the current year including talks by eminent personnel on Materials Management on related subjects, Seminar on a subject of current relevance to materials management, etc. and requested all past Chairmen, NC Members and other members to actively participate in hosting the functions as well as on our plan to enhance membership.

Secretary Shri M.G.Narayanan Nair presented the working report for 2019-20, which was discussed and unanimously approved by the AGM.

In the absence of the Treasurer Shri S.Ananda Sivan due to sudden personal inconvienience, Secretary presented the audited Statement of Accounts 2019-20 of the Branch. After detailed discussion the AGM unanimously approved the Statement of Accounts and Balance Sheet for the year 2019-20.

There was a detailed discussion on the enhancement of membership of the Branch. All were of the opinion that more youngsters are to be enrolled as members for the proper functioning of the Branch in future. After deliberations it has been resolved in the AGM that freshly recruited qualified hands in supply chain management areas shall also be contacted for awarding membership. The senior working members in VSSC are requested to have a membership drive on top priority.

Vice Chairman, Shri K.Raveendraprasad proposed vote of thanks.

The meeting was followed by Lunch.

EXECUTIVE HEALTH

DIABETES: MYTHS AND FACTS

DR ANANT YADAV M.D.
DIABETOLOGIST AND CARDIAC PHYSICIAN
CHAIRMAN, GLOBAL HOSPITAL BODAKDEV, AHMEDABAD
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Diabetes is a disease with high blood sugar levels. The diabetes is mainly divided into two main types. Type 1 diabetes is caused lack of insulin production by pancreas. Type 2 diabetes is caused by genetics and lifestyle factors, where in insulin production is less or there is insulin resistance. Diabetes is rapidly increasing in world. India is known as the diabetes capital of the world. This is mainly because of poor lifestyle.

There are many myths about diabetes that make it difficult for people to believe. These myths can create a picture of diabetes that is not accurate and creates confusion. Get the facts about diabetes and learn how you can stop diabetes myths and misconceptions.

Myth: Diabetes is not that serious of a disease.

Fact: Diabetes causes more deaths a year than breast cancer and AIDS combined. Having diabetes nearly doubles your chance of having a heart attack. The good news is that good diabetes control can reduce your risks for diabetes complications.

Myth: If you are overweight or obese, you will eventually develop type 2 diabetes.

Fact: Being overweight is a risk factor for developing this disease, but other risk factors such as family history, ethnicity and age also play a role. Unfortunately, too many people disregard the other risk factors for diabetes and think that weight is the only risk factor for type 2 diabetes. Most overweight people never develop type 2 diabetes, and many people with type 2 diabetes are at a normal weight or only moderately overweight.

Myth: Eating too much sugar causes diabetes.

Fact: The answer is not so simple. Type 1 diabetes is caused by genetics and unknown factors that trigger the onset of the disease; type 2 diabetes is caused by genetics and lifestyle factors. Being overweight does increase your risk for developing type 2 diabetes, and a diet high in calories from any source contributes to weight gain. The American Diabetes Association recommends that people should avoid intake of sugar-sweetened beverages to help prevent diabetes. Sugar-sweetened beverages include beverages like: regular soda fruit punch fruit drinks energy drinks sports drinks sweet tea other sugary drinks. These will raise blood glucose and can provide several hundred calories in just one serving!

Myth: People with diabetes should eat special diabetic foods.

Fact: A healthy meal plan for people with diabetes is generally the same as a healthy diet for anyone – low in saturated and trans fat, moderate in salt and sugar, with meals based on lean protein, non-starchy vegetables, whole grains, healthy fats and fruit. Diabetic and "dietetic" foods generally offer no special **benefit:** Most of them still raise blood glucose levels, are usually more expensive and can also have a laxative effect if they contain sugar alcohols.

Myth: If you have diabetes, you should only eat small amounts of starchy foods, such as bread, potatoes and pasta.

Fact: Starchy foods can be part of a healthy meal plan, but portion size is key. Whole grain breads, cereals, pasta, rice and starchy vegetables like potatoes, peas and corn can be included in your meals and snacks. In addition to these starchy foods, fruits, beans, milk, yogurt, and sweets are also sources of carbohydrate that you need to count in your daily diet.

Myth: People with diabetes can't eat sweets or chocolate.

Fact: If eaten as part of a healthy meal plan, or combined with exercise, sweets and desserts can be eaten by people with diabetes. They are no more "off limits" to people with diabetes than they are to people without diabetes. The key to sweets is to have a very small portion and save them for special occasions so you focus your meal on more healthful foods.

Myth: You can catch diabetes from someone else.

Fact: No. Although we don't know exactly why some people develop diabetes, we know diabetes is not contagious. It can't be caught like a cold or flu. There seems to be some genetic link in diabetes, particularly type 2 diabetes. Lifestyle factors also play a part.

Myth: If you have type 2 diabetes and your doctor says you need to start using insulin, it means you're failing to take care of your diabetes properly.

Fact: For most people, type 2 diabetes is a progressive disease. When first diagnosed, many people with type 2 diabetes can keep their blood glucose at a healthy level with oral medications. But over time, the body gradually produces less and less of its own insulin and eventually oral medications may not be enough to keep blood glucose levels normal. Using insulin to get blood glucose levels to a healthy level is a good thing, not a bad one.

Myth: Fruit is a healthy food. Therefore, it is ok to eat as much of it as you wish.

Fact: Fruit is a healthy food. It contains fiber and lots of vitamins and minerals. Because fruits contain carbohydrates, they need to be included in your meal plan. Talk to your dietician which food you should eat. You can eat any fruits you want, but always take into account calories consumed in the form of fruits. Excess calories from any source contribute to poor sugar control.

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