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MATERIALS MANAGEMENT REVIEW

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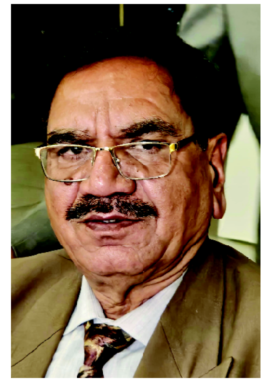
IFPSM WORLD SUMMIT

IIMM National President Shri L.R. Meena, Former President Shri S.K. Sharma, Former President Shri Lal Bhai Patel and Sr. Vice President Shri P.M. Biddappa Participated in IFPSM World Summit held on 14-16 September 2025 at XIAMEN, China.

IIMM National President and team from India participated in IFPSM at China

From the Desk of National President & Editor in Chief



Greetings from your National President!!!

The launch of GST Reforms 2.0, the most significant overhaul of India's indirect tax system since its introduction in 2017, has generated renewed optimism and uncertainty across the Indian economy. For the supply chain and logistics sector, the reforms suggest potential improvements in efficiency, standardisation, and transparency, though not without challenges.

With the new dual-slab structure (5% and 18%), the withdrawal of certain exemptions, and simplified compliance regimes, GST 2.0 aims to streamline taxation. However, the actual impact on the movement, warehousing, and delivery of goods will depend on how companies adapt their operations, technology, and cost structures to comply with the new norms. The original GST regime in 2017 dismantled state-wise tax barriers and introduced a unified market. It enabled logistics companies to shift from tax-driven warehousing (one per state) to efficiency-driven network design. GST 2.0 now offers a second round of reform, addressing inefficiencies in classification, compliance complexity, and cost burdens.

The shift from a multi-slab GST system (ranging from 0% to 28%) to a consolidated two-slab structure (5% and 18%) reduces classification disputes and simplifies invoicing, documentation, and tax computation, particularly for third-party logistics (3PL) and contract warehousing firms. Under GST 1.0, fragmented supply chains and high GST on services often resulted in blocked input credits or mismatches. With GST 2.0's improved credit reconciliation mechanisms and real-time invoice matching through AI-powered GSTN upgrades, logistics companies anticipate faster refunds and cleaner accounts. Freight aggregators and fleet operators can now more easily claim credits for fuel, insurance, maintenance, and warehousing services, improving working capital liquidity.

The inclusion of logistics infrastructure in the National Logistics Policy (NLP) and PM Gati Shakti aligns well with GST 2.0. The tax neutrality now extended across multimodal services (road, rail, air, inland waterways) will remove previous bottlenecks in cross-mode transfers. For cold chain operators, reduced GST on medical consumables, food, and agricultural products aligns better with storage and transport services, making end-to-end supply more seamless.

While long-term efficiency is achievable, short-term disruption is unavoidable. From IT systems to pricing models, logistics firms must recalibrate quickly. Many companies will now revisit their distribution centre (DC) strategy, possibly reducing the number of warehouses to fewer, strategically located hubs. However, this triggers a cascade of logistical and legal steps: warehouse lease renegotiation, labour relocation, IT system upgrades, and renegotiation of client SLAs (Service-Level Agreements). 3PL providers now face tighter timelines to upgrade systems, labels, and taxation workflows—especially for clients in fast-moving sectors such as FMCG and pharma.

Despite simplification, GST 2.0 imposes strict real-time reporting requirements, especially for e-invoicing, ITC claim validation, and input-output linkage. Errors in reporting—particularly across multiple states—could result in audits or delayed credits. While GST on logistics services is now more standardised, non-GST costs such as toll charges, local municipal fees, and surcharges remain outside its scope.

To ensure GST 2.0 delivers its intended benefits for supply chains, certain critical actions are required: fast-tracking GST refund cycles for logistics and warehousing companies, especially those with significant working capital tied up in input services; issuing sector-specific circulars for logistics to clarify bundled services, similar to previous CBIC clarifications, to prevent confusion between standalone and composite supplies; supporting MSME logistics providers to upgrade systems, digitise compliance, and train their workforce in GST 2.0 procedures; and integrating with state-level logistics policies, as warehousing, road permits, and land-use permissions remain state subjects despite GST being centralised.

GST 2.0 could be a watershed moment for India's logistics sector. It reduces tax-induced distortions, encourages efficient hub-and-spoke models, and improves the input tax credit system. When combined with Gati Shakti, the National Logistics Policy, and digitised compliance frameworks, India's vision of a unified, efficient, and cost-effective supply chain is finally within reach.

However, the path to reform is not without challenges. For logistics and supply chain participants—especially mid-sized firms—the next two quarters will test their resilience, adaptability, and foresight. The Government must support the industry by providing timely clarifications, faster refunds, and transitional relief.

If implemented effectively, GST 2.0 will not just be a tax reform— it will transform the supply chain.

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2025 IFPSM WORLD SUMMIT REPORT

AT XIAMEN CHINA DURING SEPTEMBER 14-16, 2025

IIMM NHQ MUMBAI

Indian Institute of Materials Management participated at IFPSM world Summit at XIAMEN China during September 14-16,2025.

IIMM was represented by Sh. Lalit Raj Meena, National President,Sh. S K Sharma, Sh. Lal bhai Patel both Former National President and Sh. P M Biddappa Sr. VP. Total 3000 delegates from 30 Member Countries were present during the summit. It was all time high participation in any of the world Sumit in the History of IFPSM. In the inaugural ceremony very high officials and Ministers addressed the summit. Exhibition and display of the products were of Very high standards.

IIMM team also took part in Asia Pacific region Meeting, Mr. Lalit Raj Meena National President has been elected as member of Supervisory committee of IFPSM and Sh. Lal bhai Patel as Director.

It's a great achievement for IIMM to represent in the IFPSM body.

Next day there were twenty technical sessions on different subjects in ten different halls. IIMM delegates were decided and attended four different topics ie. Public Procurement by the National President, Environment by Sh. Lal Bhai Patel, Artificial intelligence by Sh. S K Sharma and Block Chain by Sh. P M Biddappa.

The arrangement made by China are worth appreciating. Each country representatives were provided one volunteer to assist ,who understands the English language.

The speakers who were addressing it in China were instantly translated into English.

It is a big challenge for India to organise such a summit.

ETHICS IN CONTRACT MANAGEMENT – AN OVERVIEW

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EAST COAST RAILWAYLIFE FELLOW IIMM

1.0 Introduction : Ethics in Contract Management refers to the application of moral principles and professional standards in the process of creating, negotiating, executing, and managing contracts. Ethical behavior is essential in maintaining trust, ensuring fairness, and avoiding legal or reputational risks for all parties involved.

Ministries and Departments in the Government of India are responsible for sizable expenditure of public funds towards procurement of goods and services needed for various activities. As per policy certain purchases are reserved for procurement through Public sector undertaking, MSEs under Ministry of MSME and from the small scale and Khadi and Village Industries.

Considering that huge public money involved and large number of stakeholders' e.g. political executives, bureaucracy, public and private firms, public at large with varying and at times conflicting interests; it is worthwhile to examine ethical issues in contract management. Ethical aspects of contract management are similar in other central government departments too.

2.0 Legal Aspects of Purchase and Contract

Purchasing constitutes a legal contract between the buyer and the seller. Such contracts are governed by Indian Contract Act – IX of 1872. As per this act, for an agreement to become a legal contract there must be: -

i) Free consent of parties : Consent of a person is said to be free when it is not obtained by Coercion, Undue influence, Fraud, Misrepresentation of facts or Mistakes.

ii) Between Parties: Competent to enter into contract.

2.1 Rights of Equal Opportunities

According to rulings of Supreme Court, in view of rights of equality before law (Art. 14) and of carrying out a profession (Art. 19 (1) g), every citizen of India has a right to get equal opportunity to bid for a government contract. Extending these rights, courts expect that decision making in Government, including in purchasing should not be discriminatory or arbitrary. This of course also follows from the canons of financial propriety.

However, it also allows a reasonable criterion for eligibility of tenderers to be laid down. The specifications and conditions of tender should therefore be carefully framed so as not to violate these rights while ensuring supply of material from only a right source.

2.2 Objects of Contract

Object of a contract in purchasing is receipt of material or services by the Purchaser. Consideration (payment in most cases) is what the supplier gets for fulfilling the object of the contract. A contract without any consideration is not a legal contract. Such consideration and also the object of contract to be lawful these must not be forbidden or expressly declared void by law and of such nature that if permitted, it would defeat the provision of any law is fraudulent. Any contract which involves or implies injuries to the person or property of another is immoral or opposed to public policy.

Broadly speaking, a contract is an agreement between two parties enforceable by law, which confers personal rights and imposes personal obligations, which the law protects and enforces against the parties to the agreement. Accordingly, a general law of contract has been conceptualized. It has been influenced over a period of time, by a number of factors, amongst which

(a) The moral factor and
(b) Economic/business factor are of greater importance than all others.

Squandering of public money in contracts has become an all-pervasive problem in India. Hence the moral factor of a contract assumes greater significance than the business factor and due importance needs to be given on transparency, systematic methods, clarity in perception, commitment to conform and finally, emphasis on good governance.

2.2.1 The Why of It

Although law and morality are distinct, yet, the law reflects, to a considerable extent, the moral standards of the community in which it operates. Two reasons have driven ethics to the foreground in the law of contracts –

(i) The increasing demand for transfer of property from one to another and for the performance of services by one for another, both carried out through the law of contract

(ii) The growth of the institution of credit that has led to greater reliance than before on promises and agreements.

One of the most fundamental features of the law of contract is that the test to an agreement is objective and not subjective. The sanctity of contractual agreements is driven by a moral principle that one should not take advantage of an unfair contract, which one has persuaded another party to make under any kind of pressure. To this extent, it becomes incumbent on both parties to ensure that they contract in a most trustworthy and amicable manner so as to promote the 'free consent' concept of the Law. Such 'free consent', occurs when it is not caused by coercion, undue influence, fraud, misrepresentation or mistake.

"Ethical contracts, therefore, are the harbingers of good corporate governance and promoters of stakeholders' interest besides ensuring successful completion of projects, supplies, operations and services etc."

2.3 Government Contracts : What often distinguishes Government contracts from private contracts are the methodologies adopted in selecting the vendor, justifying the rate awarded and choosing the nature/ quality of workmanship or supplies. There often tends to be a conservative approach in the Governmental procedures in all these methodologies, largely driven by a need for equality and the fact that the opportunity to serve an organization funded by the public must be open to all competent bidders to the contract provided they are able to supply / perform the contract at the least cost to the public and the requirements of the supply or the work are not extravagantly luxurious. These considerations bring out the ethical aspects of Governmental contracts sharply, in contrast to those executed for private parties where there is little or lesser emphasis on the ethical aspects of the exercise.

3.0 Ethics in Buying : The following code of ethics for buyers has been drawn by the Indian Association of Materials Management.

(i) To consider first the total interest of the organization, in all transactions.

(ii) To be receptive to competent counsel and to be guided by such Counsel without impairing the dignity and responsibility of his office.

(iii) To buy without prejudice, seeking to obtain the maximum ultimate value for each rupee of expenditure.

(iv) To strive consistently for knowledge of the materials and process of manufacture and to establish practical methods for the conduct of office.

(v) To abstain from malpractices.

(vi) To eschew anti-social practices.

(vii) To accord prompt and courteous reception, so far as conditions will permit, to all who call upon him, on a legitimate business mission.

(vii) To respect his obligations and to require that obligation to him and his concern are respected, consistent with good business practice.

3.1 Ethics of Tendering: Every contracting agency must have a lawfully evolved Vision and Mission statement, wherein there is an explicit commitment to uphold ethical values of the business. Then and then only, can there be a likelihood of contracts and supplies getting executed in time and as per requirements originally estimated. Going by the essential traits of an executable contract, it becomes necessary for the party inviting tenders and, finalizing them to follow certain rules, regulations, assumptions and transparency in evaluation and awarding methodologies. These come into sharp focus when any vendor is denied an opportunity to quote for a work being executed and funded through funds raised through public taxation.

These rules and regulations must generally be evolved in a transparent manner, must be tested in law, executable in action and logical in content. They must be evenly biased towards both parties in the event of a need for interpretation and must also be free from ambiguity. Such being the case, tendering as a form of contract enabling mechanism, has all the characteristics of an ethical exercise which not only ensures right quality and quantity at the right price but also enable selection of the right vendor. Contract management becomes less complex and more goals oriented if the relationship between both parties are based on ethical principles.

4.0 Unethical Practices in Contract Management

4.1 Vendor Driven Contracts

Squandering of public money in contracts is not normally difficult to identify because, when either the rates are very high or the quality of work is poor, one is able to easily conclude that there is wastage of valuable taxpayers' money. What about works/supplies, which are not required at all in the first place? There is a carefully nurtured nexus between the supplier and a certain category of the buyer (more pronounced in the Government organization) which thrives on the projection of a false requirement of whatever supplies of material or type of work, which the vendor wishes to execute / supply (for reasons ranging from outdated models/versions, other cancelled orders, rejected stocks, or simply items of works / supplies where margins are relatively higher than other items).

A slightly varied version of this sort of unnecessary procurement or procurement in excess of requirement, driven by the vendor, is the ploy to indent and procure material of a specification which is much higher or superior to that actually required, merely because the margins in such items are higher.

4.2 Estimations : Very often, pressurized by the urgency to float tenders, the estimation wing of the buyer, finds if convenient to include clauses like "actual design and execution standards will be finalized as approved by the engineer at site, whose decision shall be final". This is no doubt, a careful strategy to save time but what is actually happening is that the ambiguity could cost the seller a fortune in reality, later on. He is however, helpless and plays along in order to get the order, thus promoting the indecisiveness, lethargy or even the mischievous intent of the buyer who has legally safeguarded his interests through a clause, which supposedly has the mutual consent of both parties - a legally acceptable stand but one which smacks of unethical standards.

4.3 Tender Opening : Elaborate procedures exist for revealing to one and all, the comparative quotes of all bidders - usually, this is done in the presence of representatives of all bidders. What goes unnoticed is the fact that while all quoted rates is read out; special terms or counter offers are not - items, which have financial implications.

It is also necessary that when bidders try to coerce or prevent other competitors from bidding, arrangements are made to enable fair and open competition and participation through different strategies including making available the tender boxes at different locations / cities which are safely guarded and the much more recently introduced e-tendering system. Such measures instill all round confidence and enhance the ethics of the contracting efforts.

4.4 Evaluations : In many organizations, evaluation of offers is done by a team of officials who compose a tender committee and whose main role is to -evaluate the offers, recommend a suitable vendor and justify the rates at which the recommendation is being made including suggestion whether there is a need for negotiations in the event of the rates being higher.

The committee relies largely on a tender evaluation brief prepared with background information of the tender. The ethical issues in the briefing note centre around the need to be totally unbiased in the presentation of the details relating to the tenderer and the past rates. Ethics demand that a dispassionate view be taken both at the time of collecting data as well as analyzing it for making recommendations. Yet another ethical irregularity is committed when opportunity is denied to new vendors on grounds of inexperience or to existing working contractors on grounds of them being already overloaded

4.5 Unworkable / Low Rates : When quoted rates are far lower than estimated, there is hardly any attempt to ascertain from the vendors as to why they do so. Ethically and more so from the financial view point, it is necessary that the buyer benefits from the assessment of a seller quoting lower before condemning the low rate as unworkable. Denial of competition by this costly lapse actually is triggered by a preconceived notion that estimates are sacrosanct. New technologies, better financing means and other business strategies would often encourage vendors to quote low, especially in a cut throat competitive environment.

4.6 Negotiations : When it comes to quoted rates being higher than estimated, however, negotiations in some organizations become the rule and are done in almost a very routine manner. When the first recommendation is invariably made for going in for a round of negotiations (even in cases where the rates are reasonable) for obtaining a further reduction, there is an inflationary tendency by even reasonable tenderer to quote high at the first instance. Ethics demand that such tendencies are curbed and efforts made by both parties to be true to their conscience – vendors would quote realistically and buyers would evaluate reasonably.

The unethical angle in negotiations wherein the lower suitable offer(s) is/are overlooked and higher (perhaps unsuitable) offers are recommended for negotiations has led to the CVC (Central Vigilance Commission) banning negotiations except where absolutely essential and that too only with the lowest. This cardinal rule has some exceptions and may not be suitable in all cases, but at least, it has helped curb certain unethical practices of “somehow, anyhow” placing orders on suppliers / sellers who do not deserve, both on the legal and contractual basis, any consideration, much less, an order.

CVC has issued guidelines on negotiation only with L1 due to incorrect practices in some of the central govt. depts., it was a system that if there are several manufacturers participating in open tender, counter offer would be given and the quantity would be rationalized over several vendors in proportion to the competitiveness of their bid. This rationalizing method adopted by govt. dept. was defective, as L1 would not get everything, which is due to him. Effective implementation of the policy to negotiate only with L1 ensured no hanky panky and brought transparency in procurement process.

5.0 Role of Technology in Improving Transparency : Unethical practices can be curbed to a large extent by bringingg in more transparency and better security (lesser chances of corrupt practices) in the system of procurement through electronic tendering (e-tender) and electronic auctioning (e-auction). Electronic auctions (or reverse auctions) are conducted using internet-based software. ‘Reverse auctions’ are auctions where sellers bid to provide specified goods or services to a buyer. At core, the system provides the means for buyers to issue pre qualification questionnaires and invitations to tender by e-mail. Suppliers then respond via an internet-based interface to the system. The system can ensure that suppliers’ electronic responses are held securely until a particular time (the equivalent of “tender opening time”) when they are made available to the buying organisation.

While the system also offers additional functionality (such as document management and evaluation tools), organisations can choose the extent to which they make use of the system beyond its core functionality. The e-tender and e-auction system is fully password-protected-buyers and suppliers can only access it with a valid account name, user name and password. Suppliers are only able to access the system in respect of tender exercises in which they have been invited to participate-they cannot “browse” tender activity. Materials Management Deptt. on Indian Railways has fully switched over to e-tendering and integrated Materials Management System has been adopted to ensure better transparency, uniformity, speed and paperless working.

6.0 Ethics in Purchase Practices at International Level

Government procurement guidelines of World Bank basically sum up the approaches in public procurement by various governments. The same has been adopted in WTO as guide line for government procurement. It mentions three types of tendering:

(i) Open tendering procedures are those procedures under which all interested suppliers may submit a tender.

(ii) Selective tendering procedures are those procedures under which, those suppliers invited to do so by the entity may submit a tender. This deals with short listing or registration of suppliers.

(iii) Limited tendering procedures are those procedures where the entity contacts suppliers individually, only under exceptional circumstances in view of urgency etc.

To ensure fairness, stress has also been placed on transparency aspect which includes publishing of contract award details etc.

7.0 Analysis of Contract Management in the Framework of Ethical Theories

The traditional approach to procurement is transactional approach. Indian railways also follow this approach. This approach can be categorized under Deontological approach to social contract theories. As per this theory an action is right if it conforms to the terms agreed upon, or rules for social well being negotiated by competent parties. Here competent authority enters into the contract by mutual consent in three steps:

(i) A proposal - This lays down the object of the contract and conditions relating to it.

(ii) An offer in response – This brings out considerations and conditions relating to it for performing the object of the tender.

(iii) Acceptance of the offer – This completes the contract. In case acceptance is not exactly as per offer, it will become a counter offer – which needs to be accepted by the tenderer to become a contract.

However, this approach has its limitation because it is based on short term goal, exploiting competition, knowledge and expertise of supplier is not utilized to the fullest extent etc. This approach although is best suited for obtaining most favorable price but it does not exploit the capabilities of supplier. The relational approach adopted by private companies/ organizations to buying which exploits the potential of cooperation, stresses upon collaboration and "team effects", combine resources and knowledge between both supplier and purchaser. It results in more openness between supplier and purchaser as supplier is required to reveal his costing etc. and then only purchaser agrees for increase in cost.

Several developed countries especially Australia, UK and New Zealand etc. have started adopting approaches, which even go beyond the relational approach. Following conditions are being added in government procurement documents:

(i) Contract with tenderer who treat their employees in ethical employment standard.

(ii) Assess a tenderer ethical employment behavior while maintaining fair opportunity for the market to compete.

(iii) Influence cultural change in way contractors treat their employees.

(iv) Reward competitive businesses that satisfy the ethical employment standard with government business.

Ethical theory applicable in above context is Extra-Organizational Ethics under System Development Ethics theories, which holds that an action is good if it promotes or tends to promote the improvement of collaborative partnership and collective global justice, creativity in the human and natural environments.

In future this will have impact on procurement done by railways because the advantages of relational approach far out weighs its disadvantage in obtaining lower price.

8.0 Conclusions : Ethics in contract management is not just about following rules—it's about fostering a culture of responsibility, transparency, and respect. Ethical behavior protects all parties involved, reduces legal risk, and strengthens business integrity.

The ethical framework behind the existing procedure obviously helps in preventing fund leakages and optimum utilization of the public money in the process of purchase and contract, yet, it often makes the system too rigid and the greater objective of 'ultimate good' for the organization is missed.

In order to take care of such greater goal, the procurement and contract procedure should have a strong element of gradual shift from the existing rule based contract to relation based contract with built in checks and balances and surveillance mechanism in it to guard against possible frauds. Design of such a system may be made practically feasible through involvement of all the stakeholders and sharing of risk and responsibility equally amongst them.

Another important aspect in procurement and contract management is to see that the whole process always meets the triple bottom line needs in respect of social, environmental and economic requirements arising out of the procurement and contract. The ethical framework based on stakeholder concept has a great potential in curbing the problem of ethical egoism of an individual in the process of procurement and contract.

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ABC ANALYSIS AND MODULAR AUTOMATION FOR EFFECTIVE INVENTORY MANAGEMENT

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In today's highly competitive and technology oriented global market the success, and sustainability of any supply chain depends on, how efficiently and effectively the inventory management is carried out. This is a vast area and, in this article, I would like to share a few thoughts on ABC analysis from my thirty-six years of industrial experience for creating sustainable value, through modular automation in inventory management.

Inventory plays a decisive role in business in determining the performance of any business, whether in manufacturing, trading, or services. Industries face numerous challenges in securing the right inputs to run their operations, while shifting demand and growing competition continuously drive-up costs and increase the need for faster, more responsive systems. As technologies are keep evolving, the ability to adopt and adapt the best solutions places business at the forefront of competition. Moreover, the rapidly changing customer expectations, evolving in step with technological advancements, create additional challenges for sustainable growth and performance.

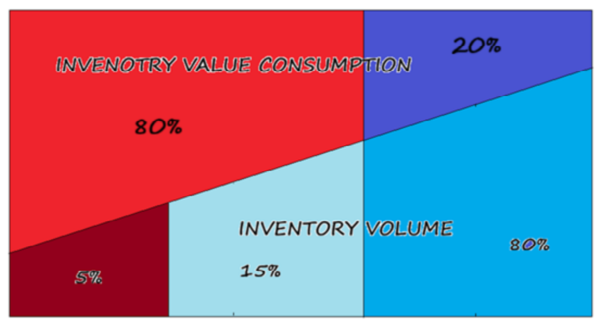
ABC analysis : This is one of the time-tested analyses that has proven highly effective for developing inventory strategies and creating value both within the system and for customers. ABC analysis is based on Pareto's 80:20 rule and seemingly simple, can only be realized when inventory systems are strategically designed with an in-depth understanding of its applicability. The analysis focuses on the value contribution of inventory consumption and classification of items in to three categories:

A- Class items are of high value consumption; the value of consumption will be higher about 80% though this may represent inventory around 20% in volume. This highlights the importance of close monitoring, strict control, accurate forecasting, and efficient resources planning. Properly managing these items can give any business a significant competitive advantage.

B- Class items are of moderate value consumption represents about 15% of consumption value and the number of inventories may be in moderate numbers. The inventory strategy hence should be of periodic review, medium level of controls, and planning focused on efficiency for smooth operations.

C- Class items contribute only about 5% of consumption value and generally largest in volume of inventories. The strategy, hence for the "C" class items should be simple and cost efficient, avoiding waste of valuable resources on this.

The below picture is a representation of how the classification looks in the inventory system in terms of value of consumption and volume of stock.



VALUE OF INVENTORY CONSUMPTION VS. INVENTORY VOLUME

The core idea of this classification is optimizing inventory, making it leaner and smarter on prioritization of inventory and their usage. However, in many cases we can see a fixed (or frozen) style of ABC classification over a period creates issues in the inventory management system. This highlights the need for developing a dynamic ABC analysis in inventory management system.

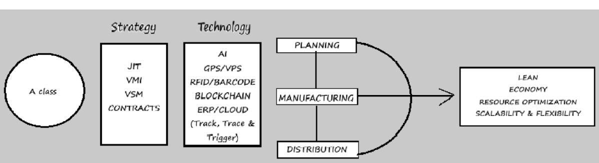
Modular automation : Automation, as everyone knows is a paradigm shift from the cumbersome manual processes to simpler, self-driven systems. This represents a transformation from the traditional inventory systems – often prone human errors, time lags, and inefficiencies into scalable, and flexible solutions. Typically, system adoption and implementation are carried out as a single unit. In contrast modular automation system consists of small independent automation units that can be combined for scalability and flexibility. This approach offers advantages in ease of implementation, performance monitoring, and cost efficiency.

Modular automation and tools: The biggest challenge for any management team is identifying the right technologies and systems. The speed of adoption is equally important, as technologies are fast evolving. Today, we have a wide range of technologies available such as;

- Barcode, RFID systems and Block chain or higher
- Robots
- ASRS, (Automated Storage and Retrieval Systems)
- IoT and wearable devices, such as smart glasses, and scanners.
- AI, (Artificial Intelligence) capable of triggering and integrating diverse processes.
- Modular storage systems
- Lift modules and Carousels

The advantages of modular automation systems are like, reduce technology adaptation cost, lean inventory, free up space, create more working capital cash flow, reduces cost, improve performance, and support continuous improvements.

Let us take the example of creating an automated replenishment system for 'A' class items through modular automation, as these items typically account for nearly 80% of material consumption value in a business. For 'A' class, items which are the highest in consumption, a strategy can be designed using Just-In-Time (JIT) inventory management supported by AI algorithms to trigger replenishment, along with a blockchain enabled tracking system to ensure higher visibility. This system can be integrated with planning, manufacturing, and distribution functions. Gradually, similar automation solutions can be extended to other inventory classes with suitable adaptations.



Creating a modular automation system for A class items

Advantages of Integrating ABC classification with Modular Automation.

Let us consider a case study- ABC company, a mid-sized manufacturing firm had been facing persistent issues with customer deliveries. Even though business has adequate market and strong production capabilities, it struggled with frequent materials shortages and stock outs, leading to interrupted production schedules and dissatisfied customers causing revenue loss and escalation of warehousing costs.

We can see that, the main issue is stockouts and shortages affecting productions. It is creating disruptions in the supply chain. The problem lies with the inefficient inventory management system. The best ways to sort out the issues are a digital transformation of the inventory management system through ABC classification and devising a strategy for inventory control to avoid stock outs.

So, integrating ABC with Modular Automation can give wonderful benefits to the business like:

1) It gives a very focused resource allocation through step-by-step adaptation with 'A' class first and then to other classes. This gives better cost effectiveness and success rate.
2) Creating dynamic classification through data capture and AI enablers, reclassification on real data happens to response faster with changes in demand seasonality, market conditions, and shifts in consumption pattern.
3) This will reduce the holding cost, as smarter replenishment will take over the process, to reduce the cost of inventory holding. No over stocking and no understocking but this will ensure zero stockouts for 'A' class items.
4) Visibility, accuracy, and speed will transform the system a real value adding one with optimal performance for improving customer satisfaction and supply chain reliability.
5) Scalability of automation- start small category or section and scale up as benefits are realized.
6) Increased confidence level and ROI happen much faster

Conclusion

Industries must embrace adaptable of automation practices to fully realize their benefits. The integration of ABC analysis with modular automation transforms inventory management from a reactive function in to a strategic capability. By intelligently classifying inventory and applying automation in a flexible manner, businesses can optimize resources, reduce cost, and enhance service levels. This hybrid approach not only drives operational efficiency but also strengthens resilience across the supply chain.

Effective. Inventory management, is no longer about simply maintaining stock through the traditional systems; it is about creating intelligent systems; that are fast, responsive, and scalable. This makes it a highly practical solution for achieving sustainable supply chain growth.

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IMPACT OF INTERNATIONAL LOGISTICS IN SUPPLY CHAIN MANAGEMENT

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Abstract : The impact of International logistics in supply chain management has been emphasized. Different situations wherein International logistics activities are involved highlighted. The potential and importance of international logistics has been highlighted. International logistics characteristics, challenges and opportunities are discussed. The challenges faced in International logistics are identified. The future of International logistics should be more resilient, human centric and sustainable are highlighted. Few numerical examples on incoterms are highlighted. The right type of incoterm, selection of right multimodal transport operator, packaging, route optimization, tracking, technology adoption etc are important in International logistics.

Keywords: International logistics, supply chain management, resilient, human centric, sustainable

Introduction : India has now set the ambitious goal of ranking among the world's top 25 nations by 2030, bringing logistics costs down to the equivalent of less than 10% of GDP. In the year 2024, the size of the Indian logistics market was around 317.3 billion U.S. dollars. It was estimated that this market would grow to 484 billion dollars in 2029, at a compound annual growth rate of 8.8 percent. The concerned ministry in the Union Government is expecting that the logistics cost will fall down to 7 percent due to ongoing GST 2.0 reforms.

International Logistics : The scope of logistics has two folds: first, physical supply (or materials management) refers to the movement of raw materials to the plant, and second, physical distribution refers to the flow of finished goods from the plant to customers. International logistics activities associated with goods that are sold across national boundaries- occurs in the following situations:

i. A firm exports a portion of a product made or grown
ii. A firm imports raw materials- parts of automobiles, pulpwood, crude oil, minerals / ores, manufactured parts etc.
iii. Goods are partially assembled in one country and then shipped to another.
iv. Expansion of their markets beyond their own country.
v. Movement of goods to foreign countries, often in bond.

Logistics provides efficient deliveries, compliance with customer requirements, and competitiveness of companies. Transportation, warehouse management, inventory management, and order processing are considered as primary logistics functions. The major six components of logistics include Demand planning, Warehousing & Storage, Inventory Management, Packaging, Transportation & Trucking and Information Logistics.

International logistics involves the planning, execution, and management of the movement and storage of goods across national borders. In business, international logistics is the study, planning and implementation of how a business moves physical goods and materials from supplier to customer in a way that involves crossing at least one international border. It also includes the international movement of money and information.

In supply chain management, logistics are responsible for the movement and storage of goods and services, along with the documents and reports that record those movements throughout an item's journey to the customer. Logistics include the numerous transportation methods that get inventory from one location to another.

International logistics offers businesses opportunities to expand into new markets, improve supply chain efficiency, reduce costs, gain a competitive advantage, enhance sustainability, and build resilience against disruptions.

International Logistics Characteristics

i. Cross border movement of goods
ii. Compliance with Global Standards
iii. Diverse modes of Transport
iv. Complex documentation process
v. Currency and exchange rate considerations
vi. Cultural and language barriers
vii. Risk management and Insurance
viii. Global supply coordination
ix. Sustainability focus
x. Adaptability to market dynamics

Challenges

i. Complex Regulatory Environment
ii. Transportation constraints

iii. Supply chain disruptions
iv. Inventory management
v. Communication and Information Exchange
vi. Risk management

Opportunities

i. Market expansion
ii. Efficiency improvement
iii. Cost reduction
iv. Competitive advantage
v. Supply chain resiliency
vi. Sustainability

Supply Chain Management : Supply chain management includes all activities that turn raw materials into finished goods and put them into customers' hands. This can include sourcing, design, production, warehousing, shipping, and distribution. The goal of SCM is to improve efficiency, quality, productivity, and customer satisfaction.

Logistics includes both inbound logistics (IBL) and outbound logistics (OBL). This can be seen in both Domestic logistics (Inland logistics) and International logistics. Logistics plays a vital role achieving the supply chain efficiency, profitability and customer satisfaction.

Impact of International Logistics : The main role of logistics in supply chain management is primarily to increase the overall value of each delivery, which is identified by customer satisfaction. This means that the reduction and optimization of labor resources must be tied in with keeping up a certain level of quality customer service.

According to Prof. Mohanty, shipping by air is cheaper than sea shipment considering time, urgency and opportunity cost. For example air cargo takes 7 days to ship a power generating equipment from Milan Port to Chennai Port. The same consignment it takes 42 days through sea shipment. For this consignment, the total logistics cost difference works out to Rs, 50,000/= only. The consignment will reach to destination and the installation and setting sales would have happened 30 days in advance if they opt for air cargo mode. So, the product, place, and (cost) price decides the mode of transportation.

International Commercial Terms (Inco terms) is another important aspect in international logistics. For example, Freight on Board (FOB) or Free alongside (FAS) minimizes the risk part of the local movement of goods instead of Ex-works. The company DSV Panalpina and Shipping Corporation of India (SCI) were engaged for movement of goods from European companies. Again the Hubs (Dubai Hub) are also another important deciding factor. For example, most of the European based consignments are routed through Dubai to final destinations.

Load optimization is another important area for the logistics manager to decide, i.e space optimization and weight optimization in the container. The mathematical models (LPP) are used for freight optimization. This is more prevalent in domestic logistics, i.e full truck loads (FTL) and less truck loads (LTL), and this decides the transportation cost per unit per mile. Cost can be a driver to gain competitive advantage.

Challenges faced in International Logistics

The key challenges faced in International logistics are;

i. Mode of transportation
ii. Challenges from multimodal transport operators (MTOs)
iii. Incoterms and regulations
iv. Containerization and palletization
v. Size and Value of Shipment
vi. Less than Carload (LCL)
vii. Truckload (TL)
viii. Carload (CL)
ix. Less than Truckload (LTL)
x. Carrier selection and route optimization
xi. Technology adoption- Tracking systems etc
xii. Negotiation

The Future : The future of International Logistics lies in three areas: Resilient, Human Centric and Sustainability (M.S.Venkatraman, 2025).

Resilient : Resilience in international logistics is a supply chain's ability to withstand, adapt to, and recover from disruptions like natural disasters, pandemics, geopolitical events, or sudden market changes, while maintaining continuous operations and customer satisfaction. Key strategies to build resilience include enhancing supply chain visibility, ensuring flexibility through diversified sourcing and multi-modal transportation, fostering collaboration with partners, and leveraging technology like AI and blockchain for better forecasting and decision-making.

Human Centric : Human-centric refers to an approach or design that prioritizes human needs, values, and experiences, placing people at the forefront of decision-making and development processes, rather than focusing solely on technology, business goals, or market trends.

Human-centric international logistics prioritizes people's well-being and capabilities, shifting focus from pure automation to a collaborative synergy between humans and technology, leading to more resilient, sustainable, and efficient global supply chains. This approach involves designing systems that enhance employee satisfaction and reduce cognitive load through tools like biosensors, while also building cohesive, skilled teams through investing in training, fostering cultural competency, and improving communication. By placing the human factor at the core, organizations can drive innovation, create positive customer and employee experiences, and achieve long-term success in a complex global market

Sustainability : Sustainability in international logistics refers to integrating eco-friendly practices into supply chain operations to minimize environmental harm while maintaining efficiency and cost-effectiveness. Key strategies include reducing carbon emissions through optimized routes and alternative fuels, minimizing packaging waste by using reusable or recyclable materials, investing in energy-efficient warehousing, and leveraging renewable energy. This approach not only helps address climate change and meet regulatory requirements but also improves brand reputation, lowers operational costs, and enhances supply chain resilience.

Conclusion : International logistics activities include import and export of goods from one country to another country. India is spending around 14 percent of its GDP on logistics cost. This is high compared to other countries. This has to be reduced to below 10 percent. The policy makers in the government side are envisaging this will come to 7 percent due to the ongoing GST reforms. The international logistics brings lot of challenges from public, government, shipper, receiver, carries & Agent and Technology side. These challenges have to be addressed. The future should be more focused on resiliency, human centric and sustainability.

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ARTIFICIAL INTELLIGENCE (AI) IN PUBLIC PROCUREMENT AND WAREHOUSE MANAGEMENT: DAWN OF A NEW ERA

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The advent of artificial intelligence represents a fundamental shift in both public administration and commercial operations, moving beyond mere technological automation to enable a new era of data-driven strategy and execution. AI, which is defined as the use of machines to simulate human intelligence processes such as learning and problem-solving, is rapidly being integrated into global economies.

The integration of artificial intelligence into public procurement and warehouse management represents one of the most significant transformational shifts in modern governance and supply chain operations. As organizations worldwide grapple with increasing demands for transparency, efficiency, and cost-effectiveness, AI emerges as a powerful solution that promises to revolutionize these critical sectors.

Albania's Pioneering AI Minister : a global first : In September 2025 Albania's Prime Minister Edi Rama unveiled Diella (meaning "sun" in Albanian), an AI avatar appointed as a virtual cabinet member responsible for public procurement. The government presented Diella as a tool to manage and award public tenders with the objective of reducing corruption and human bias.

Reporting on the appointment, major news outlets described Diella as an extension of Albania's e-government platform and noted that the system had already supported many citizen interactions before being elevated to a procurement role. This groundbreaking initiative represents a bold experiment in governance that has captured global attention and sparked both admiration and debate.

Integrating AI from Procurement to Warehouse

When AI-driven procurement (as exemplified by Diella) interfaces seamlessly with AI-powered warehouse operations, organizations unlock end-to-end optimization. Smart tendering ensures the right volumes are purchased at the right price, while advanced warehouse AI guarantees those goods are stored, picked, and shipped with maximum efficiency—minimizing excess inventory, reducing stockouts, and shortening lead times.

AI in Public Procurement : concrete capabilities

The public procurement, historically a bastion of manual and bureaucratic processes, is increasingly turning to AI to address systemic inefficiencies and time delays. AI tools can be applied across the procurement lifecycle. Typical capabilities:

o **Sourcing G market intelligence** Natural language processing (NLP) to scan markets, suppliers, and past contracts to propose standard specifications and likely supplier lists.

- o **Tender document drafting G standardization** Template generation with risk checks (e.g., detect overly restrictive specs that favour one vendor).
- o **Bid management G pre-qualification** Automated validation of bidder documentation, KYC checks, and fraud-pattern screening.
- o **Bid evaluation G scoring** Hybrid AI + rules engines to score technical and commercial offers; simulation to check for collusion signals.
- o **Award monitoring G post-award analytics** Contract performance prediction, anomaly detection (e.g., sudden price changes or delivery delays), and audit logs for transparency.

Illustrative benefits: faster tenders, fewer irregularities, more competition, and improved traceability. Several outlets covering Diella emphasised its intended role to make public tenders "corruption-free."

AI-driven Warehouse Management and Logistics : Operational Frontline

Alongwith public procurement innovation, AI is becoming a proving ground for the technology's quantifiable operational benefits. AI is revolutionizing warehouse management by optimizing inventory levels, forecasting demand, automating order picking, and enabling predictive maintenance on equipment.

Transforming Warehouse from Reactive to Predictive The primary goal of AI integration into warehouse management is to make processes more efficient and accurate. AI algorithms analyze large volumes of historical sales data, seasonal trends, and market fluctuations to deliver highly accurate parameters. Warehouse operations offer lower-risk, high-ROI early targets for AI, uses:

- **Demand forecasting**: ML models combine sales history, weather, promotions and macro signals to improve forecasts and reduce stockouts and overstocks.
- **Slotting G storage optimisation**: algorithms place fast-moving SKUs in accessible slots, saving picking time.
- **Robotics G automation**: vision + ML for picking robots, automated guided vehicles (AGVs) and quality inspection.
- **Dynamic replenishment G ordering**: AI that triggers purchase orders when risk of stockout rises, tying into e-procurement to automate low-value orders.
- **Anomaly detection**: spotting shrinkage, unusual movements, or supplier fulfillment issues earlier.

Practical results in pilot programmes: 10–30% reduction in inventory holding, 20–50% cut in order-fulfilment time for targeted SKUs, and measurable drops in stockouts for fast movers.

Risks G Failure modes : not to ignore

However likeness of adopting AI in public procurement or warehouses can backfire if governance is weak:

- **Data quality G bias**: Historical procurement data may encode corrupt patterns — training models on it can replicate or even amplify those patterns. (Diella's critics raised similar concerns about whether an AI "cannot itself be corrupted".)
- **Opacity G explainability**: scoring without auditable rationale is politically and legally risky for awarding public contracts.
- **Gaming G adversarial behaviour**: Bidders may attempt to reverse-engineer scoring models to game outcomes.
- **Constitutional G legal issues**: As seen in Albania, elevating an AI to a decision authority invites constitutional and oversight questions that require clear statutes and human-in- the-loop safeguards.
- **Operational dependency**: Over-automation without staff training leaves organisations unable to operate when systems fail.

Conclusion AI can meaningfully reduce friction, speed up processes, and detect patterns human teams miss — both in public procurement and warehouse operations. Albania's Diella is a headline-grabbing experiment that makes the promise visible and the governance questions unavoidable. The technical potential is real, but measurable benefits will only come when AI is paired with strong data governance, legal clarity, transparent decision records, and active human oversight.

Looking Ahead : Future of AI in Public Supply Chains

Emerging innovations such as blockchain-backed contract ledgers, digital twins of logistics networks, and federated learning for cross-agency data sharing promise even greater transparency and resilience. As governments and enterprises embrace these technologies, the synergy between AI-curated procurement and AI-driven warehouse management will define the next wave of supply-chain excellence.

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POTENTIAL OF WAREHOUSING BUSINESS IN INDIA

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Warehousing business has undergone a major transformation in India. In ancient times, granaries were built for storing food grains during floods and famines. Even prior to the 1990s, traditional go downs were synonymous with shabby storehouses on city outskirts, characterised by slow-paced manual operations and lack of technological integration.

Warehousing is an integral part of logistics value chain and holds a very vital role in SCM. It ensures the important job of safeguarding quality and quantity of the products for future use. Three major duties in the supply chain like collection, sorting and dissemination of goods are performed through warehousing.

Growth of warehousing is remodelling traditional go downs into modern, automated facilities for logistics, retail, and agriculture. Key trends include the shift from unorganized to organized sectors, increased use of technology like AI and cloud computing, and a rise in Grade-A warehouses. While challenges like supply chain complexity and infrastructure gaps exist, the sector offers significant opportunities for investors and businesses, positioning India for economic growth and a potential global logistics hub status.

Origin of Warehousing : Origin of warehousing can be traced back to around 3000 BC while in Mesopotamia and Egypt, the need for organized storage arose as surplus goods required preservation and safekeeping. They were not large godowns, but simple storehouses, often made of mud brick or stone, were used to store agricultural produce, precious metals, and other commodities. Delving into the annals of history, we find that the concept of storing goods has ancient roots in India. During our great ancient civilization between 1500 BC and 500 BC, on the Indo Gangetic plains, framers evolved new farming systems and practices. Number of classical texts especially Kautilya's Arthashastra and Patanjali's Mahabhasya describes valuable information on selection of seeds, land preparation, pest control, storage, plant growth nutrients, crop rotation, intercropping etc. Panini the ancient Indian grammarian in his great work 'Ashtadhyayi' has reference to many storage vessels like 6 foot high cylindrical earthern vessel called Kusala , resembling a well for storage of grains. Kautilya, the wise Minister in Chandragupta Arthashastra Maurya in his book Arthashastra gives given a detailed description of storage practices followed during their period. Duties, responsibilities and qualification of the principal store keeper designated as 'Dhanyadhipa' were well defined. He should be capable of segregating the varieties and grades of the grains and preserve them in good condition away from pests and rodents. The Cholas, Nayaks, Chatrapti Sivaji, Thanjavur palace etc have built storage for keeping different items in good condition for future use.

While the idea of storage is primeval, the modern warehousing industry in India has matured only in the last two decades!

Major factors behind advancement of Warehousing:

One of the major push behind the growing warehouse landscape in India can be attributed to the implementation of Goods and Services Tax (GST). By replacing multiple indirect taxes with a single unified tax, GST eliminated inter-state tax barriers, reducing the need for fragmented warehouses. Businesses could build their strategy for proper storage hassle free through this implementation.

Role of E-commerce:

Covid pandemic and geopolitical crisis has significantly impacted the supply chain, driving market demands for modernisation of warehousing and attracting large institutional investments. As necessity is said to be the mother of invention, e-commerce has developed leaps and bounds and has come up as the rescuer of industry and business. The e-commerce industry alone is predicted to have the biggest increase in warehouse transaction volumes between 2022 and 2026, with its proportion of yearly transactions rising from 31% to 37%. Besides, third party logistics (3PL) and other sectors are anticipated to account for 86% of the total warehousing space during the period. Growth of Amazon, Flipcart, Instamart, Uber and such e-commerce applications are examples in this regard.

Government initiatives: A series of regulatory reforms and flagship initiatives by the government such as the Pradhan Mantri Gram Sadak Yojna, development of Industrial & Dedicated Freight Corridors, and implementation of the Bharatmala and Sagarmala projects, Smart Cities Mission have played pivotal roles in establishing the necessary infrastructure to connect modern urban centers and support logistics operations.

Declaration of Warehouse as critical infrastructure: Another major factor is the recognition of the logistics sector, including industrial parks, warehouses, cold storages and transportation as 'infrastructure'. This has been crucial, making institutional funding and foreign investment easier, paving way for green-field projects and further industry advancements. Importantly, infrastructure status considerably lowers the capital costs associated with transportation and warehousing, reducing logistics expenses substantially. Indian warehousing market was valued at Rs 1,050 billion, in 2020 and by 2025 it is estimated to surpass Rs 2,028 billion which demonstrates the tremendous scope of this industry.

Automation : Traditional 'stores' or 'go-downs' are now fast evolving with the emergence of advanced automated warehouse management systems with modern and efficient storage solutions. Technologies like automated guided vehicles (AGVs) and conveyor systems for material handling and transportation within warehouse premises are giving a face lift to warehouses. Integration of emerging technology along with data analytics have facilitated algorithm-based forecasting and inventory optimisation enabling services such as precise packaging, flexible manufacturing, cross-docking, predictive demand analysis, and comprehensive distribution solutions that rise above mere storage facilities.

Demand for Well equipped Warehouses : Grade A warehouses are now most sought after as it provides state of the art technology equipped with AI, WMS etc. These warehouses are now getting acceptance in smaller cities and towns also as this considerably reduces the burden on operating personnel. This not only reduces man power, but enhances the efficiency of operation. These warehouses are providing value added services like consolidation, 3PL, cross-docking, assembly facilities etc

Though Warehousing in India has shown tremendous growth in recent years, the industry is still facing several bottlenecks. Some of these are detailed below:

Logistics expenses in India are significantly higher than in developed countries, eating into profit margins and affecting competitiveness. Logistics costs in India account for a significant 14% of GDP, which is considerably higher than in developed economies like the US, Germany, and Japan, where it's around 8-9%. Rising fuel prices and maintenance costs add to increased operational costs, particularly for freight companies. The major mode of transport is road transport, despite its infrastructure limitations is adding to the cost burden. The lower logistics costs in developed nations are often attributed to better infrastructure, more efficient transportation networks, and advanced warehousing practices

Another area of concern is **land acquisition issues**. Finding affordable and suitable land near urban centers for warehousing development is a major hurdle. This limits the expansion of warehousing facilities to a great extent and lead to higher costs and inefficiencies.

Infrastructure inefficiencies are another area limiting development. Inadequate road and rail connectivity, especially in rural and semi-urban areas, hinders smooth logistics operations and increases delivery times. This affects operation of last-mile connectivity which is very vital in operations.

Complex and inconsistent regulations even for inter-state operations create delays and complexities in setting up and operating warehouses. Streamlining these regulatory processes is crucial for facilitating seamless expansion and growth.

Though labour availability in India is plenty, **shortage in skilled workers** is affecting this industry. As warehousing has become highly technical, trained professionals are required for warehouse management, automation, and logistics operations etc. This gap in skills can impact efficiency, productivity, and the adoption of modern technologies which are highly required.

Lack of coordination and integration between different stakeholders in the supply chain, including suppliers, distributors, and platforms are leading to inefficiencies. This fragmentation can result in delays, increased costs, and difficulties in tracking inventory.

Technology Adoption is the order of the day. While we see some sectors embracing digital technologies, others are still relying on traditional methods. Unless digital solutions, such as integrated information systems and automation are adopted, efficiency and competitiveness at this juncture cannot be improved. Developed countries have adopted automation, robotics, and AI-powered systems in warehousing operations.

Poor inventory management practices can lead to losses, damage, and deterioration of goods, particularly in the perishables sector. Inventory discrepancies also lead to stock outs or surpluses, causing customer dissatisfaction and operational inefficiencies. Efficient inventory control and optimized storage facilities are crucial for minimizing waste and maximizing efficiency. Trained personnel are required for handling warehouse inventory management.

Environmental concerns like carbon emissions and waste generation are also affecting better warehouse handling. Adopting green practices, such as using sustainable packaging and optimizing transportation routes, is crucial for minimizing the environmental impact.

The use of customs bonded warehouses for imported goods is expected to grow, offering businesses opportunities for storage, processing, and distribution without immediate tax implications.

Promising future : India's warehousing and logistics industry is experiencing rapid transformation. It is set for remarkable growth, with forecasts projecting a Compound Annual Growth Rate (CAGR) of 15.64 percent from 2022 to 2027, reaching $34.99 billion by 2027. From mere go downs, modern warehouses provide product management solutions, manufacturing support, warehousing, storage & distribution, transportation & integrated logistics, integrated packaging solutions, information systems, and sourcing & procurement. They also offer secure, agile, and flexible solutions, leveraging different innovative and technological solutions. The government's efforts to connect rural and urban areas and incentivise warehousing growth, along with proposed policies for dedicated warehousing zones along the highways, promise to further optimise logistics, lower costs, and improve supply chains.

Companies like DHL, TVS Supply Chain Solutions, Mahindra Logistics, Allcargo Logistics, Gati , Blue Dart, Prozo, SafeExpress, FSC etc are leaders in this field in India, driving innovation, sustainability, and efficiency.

From cold storage and warehouse facilities in India to advanced 3PL and warehouse management solutions in India, with the help of state of the art technologies, niche companies are helping businesses reduce costs, improve speed-to-market, and enhance customer experience.

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GST REFORMS FOR A NEW GENERATION

Lighter on the Pocket, Brighter for the Future

Key Takeaways

GST on **leather, footwear, textiles, handicrafts, and toys** reduced to **5%** to boost youth-led MSMEs and exports.

Essential learning materials like pencils, erasers, and exercise books made **GST-free** to ease education costs.

GST on **gyms/fitness centres** slashed from **18% to 5%,** making fitness more affordable and accessible. GST on **two-wheelers (d"350cc)** and **small cars** cut from **28% to 18%**, enhancing youth mobility.

GST on **cement** reduced from **28% to 18%**, lowering housing and infrastructure costs.

Healthcare made affordable with GST on medicines cut to **5%/Nil**, while **health insurance is made exempted from GST**.

Uniform **5% GST** on **drones** introduced, supporting startups and the Make in India initiative.

Daily food items like UHT milk, roti, paratha, paneer, and packaged snacks brought under **5% or Nil GST**, easing household expenses.

Reforms **promote affordability, healthier lifestyles,** and **improved ease of living** for youth and households.

Introduction : The Goods and Services Tax (GST) reforms **introduced in** September 2025 **represent a landmark step in** reshaping India's taxation system to better serve the aspirations of its youth**. By simplifying tax structures, reducing rates across key industries, and addressing long-standing anomalies, these reforms are designed to create an** enabling environment for entrepreneurship, job creation, and affordable living**.**

Sectors with high youth participation—such **as education, automobiles, technology, handicrafts, footwear, healthcare, food processing, and textiles** — have been prioritized to lower costs, boost competitiveness, and encourage innovation. Beyond reducing the financial burden on households and businesses, the reforms strengthen India's vision of inclusive growth, sustainability, and empowerment of the next generation.

GST Reforms for Promoting Jobs, Businesses and Startups

The government has introduced a **simplified GST structure** with **significant rate reductions** across key sectors of trade and commerce. Essential industries such as **leather, footwear, paper, textiles, handicrafts, toys, packaging, and logistics** have been covered under this reform. The aim is to boost the present businesses and startups and incentivise the youth to enter into businesses and initiate startups.

By lowering GST slabs to **5%** on several goods and **rationalising rates** in transport and allied sectors, the reforms aim to **reduce costs for consumers, ease compliance for traders, and enhance competitiveness for Indian businesses.**

GST Reforms
for Commerce and Trade Industry

Sector/Products	Old GST Rate	New GST Rate
Cartons, Boxes and Cases of Corrugated/ Non-Corrugated Paper or Paper Boards	12%	5%
Paper pulp moulded trays	12%	5%
Chamois leather and composition leather with a basis of leather or leather fibre	12%	5%
Leather after tanning/crusting	12%	5%
Footwear (≤ ₹2,500 per pair)	12%	5%
Supply of job work in relation to hides, skins and leather falling under Chapter 41	12%	5%
Rice husk/glassfibre reinforced gypsum/ cement bonded particle/jute particle/ bagasse/sisal fibre boards	12%	5%
Sheets for veneering, bamboo flooring, casks, barrels, vats, tubs of wood	12%	5%
Idols (wood, stone, metals)	12%	5%
Paintings, drawings and original engravings	12%	5%
Handcrafted candles, carved wood products, handbags including pouches and purses	12%	5%
Stone art ware, stone inlay work, tableware and kitchenware of clay and terracotta	12%	5%
Glass statutes, artware of iron, aluminium, brass/copper	12%	5%
Commercial goods vehicles (trucks, delivery vans)	28%	18%
Prepared/preserved vegetables, fruits, nuts	12%	5%
Man-made fibres (MMF)	18%	5%
Man-made yarns	12%	5%
Toys and sports goods	12%	5%

Source : Ministry of Commerce and Industry

GST Rationalisation for Leather and Footwear Industry

The leather and footwear sector is a key employer, directly benefitting the youth, in India, with a strong export base. GST rationalisation here reduces the burden on young manufacturers and makes products more accessible to the consumers.

GST has been reduced from 12% to 5% on chamois leather, composition leather with a basis of leather or leather fibre, and leather prepared after tanning or crusting.

Footwear priced up to 2500 per pair now attracts just **5% GST**, directly benefiting young consumers.

GST on supply of job work in relation to hides, skins, and leather (falling under chapter 41) also cut from

12% to 5%, reducing MSME production costs, encouraging young entrepreneurs.

GST Rationalisation for Wood Industry

Agro-based and eco-friendly wood substitutes see lower taxation, encouraging sustainable manufacturing and MSME competitiveness.

GST reduced from **12% to 5%** on **rice husk board, glassfibre reinforced gypsum board, cement bonded particle board, jute particle board, bagasse board, sisal fibre board, etc.**

Sheets for veneering, bamboo flooring, casks, barrels, vats, tubs of wood are also included. The aim is to support MSMEs in wood manufacturing and promote eco-friendly alternatives.

GST Rationalisation for Handicrafts Industry

The handicrafts sector, vital for young artisans and exporters, benefits from tax rationalization, making traditional goods more affordable and globally competitive.

GST cut from **12% to 5%** on **idols made of wood, stone, and metals**.

GST reduction also applies to **paintings, drawings, original engravings, handcrafted candles, carved wood products, handbags including pouches and purses, stone art ware, stone inlay work, tableware and kitchenware of clay & terracotta**.

It further covers **glass statutes, artware of iron, aluminium, brass/copper, etc**.

These reforms strengthen India's cultural economy and young artisanal livelihoods.

GST Rationalisation for Textile Industry

The GST rationalisation in textiles **removes structural anomalies, reduces costs, boosts demand, supports exports**, and **sustains jobs**.

GST on **man-made fibres (MMF)** reduced from **18% to 5%.**

GST on **man-made yarns** cut from **12% to 5%.**

GST on **ready-made apparel up to 2,500 per piece** (earlier limit was 1,000) is set **at 5%.**

The rate cut will make Indian MMF-based garments more price-competitive in global markets, supporting India's ambition to become a **global textile hub**. It will support the budding and young exporters.

GST on carpets and other floor covering has also been reduced from 12% to 5%. GST Rationalisation for Reducing Packaging Costs

The GST on Packing paper, cases, cartons, boxes (of corrugated paper or non-corrugated paper or paper boards) and paper pulp moulded trays has been reduced to 5%. This rationalisation will:

Reduce the overall logistics and packaging costs, serving the dual purpose of making products cheaper for the customers and production cheaper for businesses.

Provide relief to youth businesses and small manufacturers that are dependent on cost-effective packaging solutions.

GST Rationalisation for Reducing Transportation and Logistics Cost

GST on Commercial Goods Vehicles (Trucks, Delivery Vans, etc.) has been reduced from 28% to 18%. Trucks form the backbone of India's supply chain, carrying nearly **65%–70% of goods traffic**. Lower GST will reduce the capital cost of trucks, which will directly decrease freight rates per tonne-km, especially benefitting India's young entrepreneurs.

Additionally, the **reduction of GST on third-party insurance of goods carriages (from 12% to 5% with ITC)** further complements these efforts.

GST Reforms for Promoting Healthcare

GST Rate Cuts

To Make Healthcare and Nutrition Affordable

Sector / Product	Old GST Rate	New GST Rate
Drugs & Medicines	12%	5% / Nil GST
Bio-medical waste treatment services	12%	5%
Pharma Job Work (formulations, APIs, packaging, etc.)	12%	5%
Medical Devices & Equipment (anaesthetics, oxygen, diagnostic kits, bandages, thermometers, etc.)	12%	5%
Tobacco & related products	28%	40%
Spectacles, Contact Lenses, Spectacle Lenses	12%	5%
UHT Milk	5%	Nil (Exempted)
Paneer (branded/unbranded)	5%	Nil (Exempted)
Dry Fruits (almonds, hazelnuts, dates, figs, etc.)	12%	5%
Diabetic Foods	12%	5%
Prepared/Preserved Fish	12%	5%
Fruit pulp / fruit juice based drinks	12%	5%
Milk-based Beverages	12%	5%
Gyms / Fitness Centres	18%	5%

Source: Ministry of Finance

While **healthcare services by doctors, hospitals, and diagnostic centres remain exempt from GST**, the **reduction in taxes on essential medicines and medical devices** has brought down treatment costs for patients. At the same time, higher taxes on harmful goods like tobacco and related goods underline the government's focus on preventive healthcare and tackling lifestyle diseases such as cancer. This balanced approach ensures that the tax system itself becomes a tool for protecting youth health and strengthening families' well-being.

GST Rationalisation for Drugs and Medicines

GST on drugs and medicines has been reduced from 12% to 5%/Nil. It will cut the costs of various essential medicines, easing the financial burden on patients. This move will:

Boost the affordability of long-term treatments for chronic illnesses.

Strengthen India's role as the "**Pharmacy of the World**", especially for generics, while ensuring domestic affordability.

Further, GST on **supply of job work in relation to manufacture of pharmaceutical products** will also be reduced from **12% to 5%.**

GST Rationalisation for Vision Correction Products

GST on Vision Correction Products has been reduced from 12% to 5%. Spectacles are not a luxury but a health necessity. The GST rate cut will help in increasing affordability and adoption of spectacles. Lower GST makes vision correction affordable for many people, **especially students**, the elderly, and low-income households. It will also **improve productivity among the youth**.

GST Rationalisation for Child Care Products

GST on **napkins and napkin liners** for babies, and **feeding bottles** has been reduced from **12% to 5%**. GST on **thermometers** have been reduced from **18% to 5%.** GST on **UHT Milk** has been reduced from **5% to Nil**.

The GST reforms also reduce the tax burden on **other essential childcare products**, including **baby diapers, nipples,** and related items.

The lower cost of these products eases the economic pressure on young families, improves affordability of infant essentials, and supports early childhood health by promoting better hygiene and infection prevention.

GST Exemption on Individual Health Insurance

This will make **premiums cheaper for youth** and middle-class families and **encourage wider adoption of health insurance**, reducing out-of-pocket medical expenses.

GST Increase on Tobacco and Related Products

GST on **tobacco and related products** has been increased from **28% to 40%.** These include: Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.

Other manufactured tobacco and manufactured tobacco substitutes;

“Homogenized” or “reconstituted” tobacco; tobacco extracts and essences.

Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion. Products containing tobacco or nicotine substitutes and intended for inhalation without combustion.

GST Reforms for Promoting Education : Education, nutrition, care, and play form the foundation of every child’s development. The recent GST rationalisation measures are a path-breaking step towards making learning, mobility, and childcare more affordable for families across India.

GST Exemption on Formal Education : School and university education continues to remain fully exempted from GST. Extension of benefits now covers essential learning materials and childcare products, making education and upbringing more affordable for Indian households and raising well the future youth of our country.

GST Rationalisation on Learning Materials

GST on **pencils, sharpeners, crayons, exercise books, graph books, maps, and charts** has been reduced from **12% to Nil**. GST on **erasers** has been reduced **from 5% to Nil**. This reduction will make basic learning tools cheaper, especially for government schools, children and youth in rural areas. It reduces out-of-pocket education expenses for families, encourages higher school enrolment, and supports better learning outcomes. At the same time, it boosts demand for domestic stationery manufacturing, particularly among MSMEs.

GST Rationalisation for Toys and Sports Products

The toy industry, important for child development and MSME manufacturing, benefits from reduced GST. • GST on toys and sports goods cut from **12% to 5%**.

• This makes toys more affordable, encouraging **early childhood learning through play**.

This will also **“Vocal for Local”** initiative by supporting domestic and youth MSME toy makers.

GST Reduction on Bicycles – Affordable Mobility for Students

GST on bicycles reduced from 12% to 5%. This will make bicycles more affordable and will help children in rural and semi-urban areas access schools more easily. It further encourages mobility and reduces dropouts, particularly among girls. Additionally, it promotes fitness, outdoor activity, and healthier lifestyles among children.

GST Reforms for Promoting Ease of Living

By lowering GST rates on daily food items, construction materials, gyms/fitness centres, and automobiles, the Government has not only reduced the financial burden on households but also advanced its long-term vision of promoting healthier lifestyles, affordable housing and transportation, and improved ease of living among the youth.

GST Rationalisation for Everyday Food Items

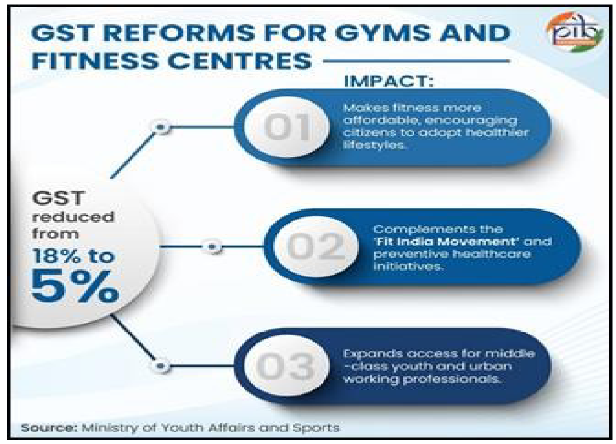
The government has aimed to enhance food affordability by bringing **most food items under the 5% or NIL tax slab**, as seen in the **exemption of staple Indian breads like Paratha, Parotta, and Roti from GST**, reflecting their status as essential household foods.

Item Category	Previous GST	New GST
Ultra-High Temperature (UHT) milk	5%	Nil
Pre-packaged & labelled chena/paneer	5%	Nil
Pizza bread, khakhra, chapati/roti	5%	Nil
Paratha, parotta	18%	Nil
Tender coconut water, pre-packaged and labelled	12%	5%
Drinking Water (20 litre bottles)	12%	5%
Sauces and condiments like curry paste, mayonnaise, mixed condiments	12%	5%
All goods, including refined sugar containing added flavouring or colouring matter, sugar cubes; Sugar boiled confectionery	12%	5%
Brazil nuts (dried)	12%	5%
Other nuts (dried) such as almonds, hazelnuts or filberts, chestnuts, pistachios, macadamia nuts, kola nuts, pine nuts	12%	5%
Dates, figs, pineapples, avocados, guavas, mangoes (other than mangoes sliced, dried)	12%	5%
Roasted chicory and other roasted coffee substitutes (extracts/essences/ concentrates)	12%	5%
Fats of bovine animals, sheep or goats; pigs; fish or marine mammals; Animal or microbial fats	12%	5%
Butter, ghee & other dairy fats	12%	5%
Preserved & processed meat/fish, like sausages, prepared/preserved meat, fish, crustaceans	12%	5%
Condensed milk, cheese	12%	5%
Jams, jellies, marmalades, purees, nut pastes	12%	5%
Preserved vegetables and pickles	12%	5%
Fruit & vegetable juices/drinks like fruit pulp juices, nut juices, vegetable juice	12%	5%
Beverages containing milk, soya milk	12%	5%
Ice cream and edible ice	18%	5%
Plant-based milk drinks	18%	5%
Soups and broths and preparations therefor	18%	5%
Tea and Coffee (extracts/essences/ concentrates)	18%	5%
Chocolates & cocoa products (butter, powder)	18%	5%
Vegetable saps and extracts	18%	5%
Sugar confectionery; Pastry, cakes, biscuits and other bakers' wares	18%	5%

Reduction of GST on food items to **5% or NIL** benefits not only consumers but also the youth involved in the food processing value chain — from **farmers and cooperatives to MSMEs, retailers, and exporters**.

- GST rationalisation will provide a **boost to India's food processing industries, milk cooperatives, and private dairies**, by **reducing input costs** and **boosting production volumes**. This will further encourage the youth to initiate business ventures in this industry.
- This move will also encourage demand in semi-urban and rural areas, **supporting MSMEs and regional brands** being operated by or employing the youth.

GST Rationalisation for Gyms/Fitness Centres



GST on gyms/fitness centres has been reduced from 18% to 5%. The reduction of GST on fitness centres marks a decisive step towards building a healthier and more active India. Fitness, which was earlier considered a luxury by many, is now being made accessible to wider sections of society. This aligns with the broader public health agenda of preventive care and wellness promotion, especially among the youth.

Key Benefits:

The reduced GST makes **gyms and fitness memberships more affordable,** encouraging more people, especially youth and middle-class families, to access structured health and wellness services.

This measure **complements national preventive health initiatives** such as the **Fit India Movement**, which encourages citizens to prioritise regular exercise and lifestyle changes to prevent chronic illnesses.

Urban employees and students who rely on gyms for regular exercise will benefit from lower costs, enabling them to **balance fitness with busy lifestyles**.

By making fitness centres more accessible, the government is **encouraging a societal shift from curative healthcare to preventive health**, ultimately reducing long-term health expenditure for families.

GST Rationalisation for Two Wheelers (Bikes up to and including 350cc)

GST on two-wheelers (Bikes up to and including 350cc) has been reduced from 28% to 18%. Two- wheelers are more than just vehicles, they are a **lifeline of mobility** for millions of Indians, especially the youth in rural and semi-urban areas. The reduction in GST brings **meaningful relief to lower-middle-class households, young professionals, and gig workers** who depend on affordable transport for their livelihood and daily needs.

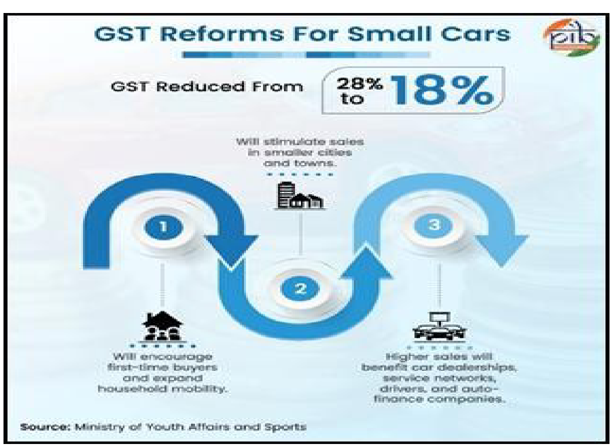
Key Benefits:

- With lower GST, the overall price of two-wheelers decreases, making them **more affordable for the youth, students, and first-time buyers**, especially belonging to the lower-middle-class households.
- In small towns and villages, bikes are often the primary mode of transport. Cheaper bikes will **enhance accessibility and improve daily commuting options**.
- Delivery agents, ride-hailing service providers, and other gig workers rely heavily on two-wheelers.

Lower GST **reduces their purchase costs, EMIs, and maintenance burden**, **increasing their monthly savings**.

- By reducing commuting costs, this reform helps **workers save more, improves mobility** for job opportunities, and **strengthens the overall workforce efficiency**.
- Affordable transport **empowers youth to seek education, employment, and entrepreneurship opportunities** without being held back by mobility challenges.

GST Rationalisation for Small Cars



GST on small cars has been reduced from 28% to 18%. Small cars form the backbone of India's automobile market, especially in **tier-2 and tier-3 cities**. By lowering GST on this segment, the government is directly addressing the aspirations of the youth and the middle-class families, while also giving a significant boost to the automobile industry.

Key Benefits:

The reduction in GST makes small cars more affordable, **encouraging youth and first-time buyers** to invest in personal mobility solutions.

Compact cars are most popular in semi-urban and rural markets. Lower GST will **accelerate sales in these regions, strengthening the auto industry's rural footprint**.

Higher car sales will benefit not just manufacturers but also dealerships, service centres, drivers, and auto-finance companies, creating a **positive ripple effect across the economy**.

Affordable small cars **expand mobility options for young professionals, working parents, and students**, making daily commuting easier and more reliable.

GST Rationalisation for Large Cars

GST on large cars has been rationalised to flat 40% (no cess). The simplification of GST for larger cars creates predictability in pricing and encourages aspirational young buyers to invest in new vehicles.

GST Rationalisation for Buses

GST on Buses (with seating capacity 10+ persons) has been reduced from 28% to 18%. Public and shared transport will see significant gains with reduced GST on buses and minibuses.

Reduces upfront costs for fleet operators, schools, cooperates, tour operators and state transport undertakings. This will spur demand for buses and minibuses.

Makes fares more affordable, especially for the youth in rural and semi-urban routes.

Encourages shift to public transport, easing congestion and pollution.

GST Rationalisation for Cement

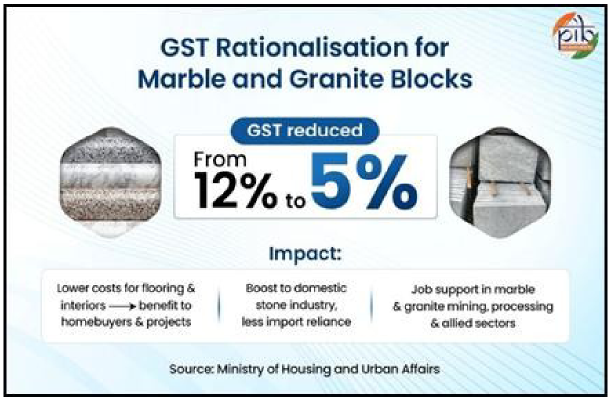
GST on cement has been reduced from 28% to 18%. Cement constitutes one of the largest input costs in construction, contributing **15–20% of total building costs** and nearly **11% of overall construction expenses**.

The reduction in GST will substantially lower overall construction costs, **making housing and infrastructure projects more affordable**.

Lower cement prices will **directly benefit** construction of houses under the **Pradhan Mantri Awas Yojana (Urban and Grameen)** and other public infrastructure initiatives.

The cement industry is highly **employment-intensive**, spanning mining, logistics, manufacturing, and distribution. **Increased demand** due to lower prices will **boost job creation for the youth** across cement plants, ancillary industries, and logistics.

GST Rationalisation for Marble and Granite Blocks



GST on marble and granite blocks have been reduced from 12% to 5%. India has a **large natural stone sector**, with states like **Rajasthan**, **Gujarat**, **Karnataka**, and **Andhra Pradesh** being major producers.

Reduced GST will lower the costs of flooring, tiling, and interior finishing, **directly benefiting young homebuyers and infrastructure projects.**

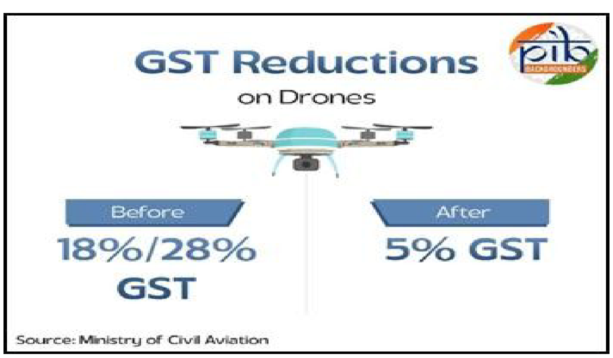
The GST cut will boost **domestic competitiveness** while reducing reliance on imported natural stones.

The marble and granite industry provides employment to **lakhs of workers**, especially the youth, and the tax relief will help **sustain jobs in extraction, processing, and related activities**.

GST Rationalisation for Job Work for Manufacture of Bricks

GST on job work for bricks cut from **12% to 5%,** easing rural housing costs and supporting MSME running brick kilns.

GST Reforms for Promoting Drone Technology



Drones have emerged as transformative tools across sectors like **agriculture, defense, disaster management, and infrastructure development**. Recognizing their potential among the tech-savy youth, the Indian government is intensifying efforts to **integrate drone technology into national development strategies**. Working along the same lines, the GST on **unmanned aircrafts (drones)** has been significantly reduced from the earlier **18% / 28%** to a **uniform 5%** rate. This rationalization aims to encourage wider adoption of drones across sectors while also boosting domestic manufacturing under the **Make in India** and **Atmanirbhar Bharat** initiatives.

The **uniform 5% GST rate on all drones**, regardless of specifications, ensures parity and removes classification disputes, providing clarity and long-term stability to the industry. This policy aligns with the **Production Linked Incentive (PLI) Scheme** and is expected to unlock wide-ranging sectoral applications in **agriculture, petroleum, mining, infrastructure, logistics, defence, and emergency response.** Beyond sectoral growth, it will also drive economic benefits by generating new employment opportunities for the youth in **manufacturing, software development, field operations, and maintenance**.

Conclusion

The 2025 GST reforms mark a transformative chapter in India's journey toward inclusive economic growth and youth empowerment. By rationalising rates across diverse industries, the government has not only eased the cost of living but also fostered new opportunities for startups, MSMEs, and job seekers. The reduction in taxation for essential goods, services, and emerging technologies underscores a forward-looking approach that combines affordability with competitiveness. These measures will stimulate domestic manufacturing, support traditional industries, and encourage innovation, while also improving public health, education, and mobility. Collectively, the reforms reaffirm India's commitment to making taxation simpler, fairer, and more growth- oriented - ensuring that young citizens are at the heart of the nation's economic future.

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Ministry of Education
Ministry of Finance
Ministry of Health and Family Welfare
Ministry of Women and Child Development
Ministry of Heavy Industries

Source : PIB

A NEW CASE FOR MANUFACTURING AND SUPPLY CHAINS IN INDIA WITHIN THE CURRENT GEOPOLITICAL CONTEXT

GANESHAN WIGNARAJA PROFESSORIAL FELLOW IN ECONOMICS AND TRADE AT GATEWAY HOUSE AND VISITING SENIOR FELLOW AT ODI GLOBAL IN LONDON

Introduction : The May 6, 2025, India-Pakistan conflict has raised questions about the future of South Asia's regional economic integration. India has ceased all direct and indirect trade with Pakistan, halting a $10 billion annual exchange of goods. South Asia, as a region of aspiration, seems lost for some time. However, the geographical reality of proximity, common borders, and cultural affinity cannot be changed. India is a key destination for the shift of supply chains from China, and the region is the catchment area for these benefits. How, then, can the region play its role as the next big trade hub?

There are currently three imperatives for India to emerge as a manufacturing hub. The first is the Trump tariff effect, where India faces 26% reciprocal tariffs on exports to the US, the world's largest high-income market. A second factor is Pakistan, whose tepid growth, low productivity, and lack of domestic reform are hindering the region, depriving it of the benefits of developing a supply chain ecosystem and ultimately prosperity. Thirdly, China and East Asia's integration into global supply chains, which has generated jobs and unprecedented prosperity, provides valuable lessons for others, even amidst global trade policy uncertainty.

This indicates that South Asia is increasingly leaning towards trade in the new geopolitical context. Indeed, India is enhancing its trade engagement with the world, showcasing a series of free trade agreements (FTAs). Recently, Sri Lanka signed FTAS with Thailand and Singapore. Meanwhile, Bangladesh has been discussing FTAs with various Asian countries. This reflects a regional aspiration to establish the supply chain ecosystem necessary for an ambitious trade agenda.

It is none too soon. Starting in June, all of Apple's iPhones for the U.S. market will be made in India, still cheaper despite the new U.S. tariffs. Samsung, Volvo, Siemens, and Amazon have announced they will expand their manufacturing footprint in the country. This is not a sudden shift following the imposition of U.S. tariffs. Multinational companies had already begun reducing their dependence on China before Covid-19, and its popularity as a manufacturing source was receding, particularly among Western firms.

This essay, therefore, examines the prospects for India and the rest of South Asia. It seeks to address the following questions:

1. Is India rising as a global manufacturing hub?
2. Is trade diplomacy in high gear at last?
3. What lessons can we learn from China?
4. How can India's neighbours be lifted?

India's Role in Global Manufacturing

The disruption of China-centric global supply chains is underway, with reports indicating that inward Foreign Direct Investment (FDI) has fallen to historic lows for both the U.S. and China (Baldwin, Freeman & Theodorakopoulos, 2023). The migration of labour-intensive supply chains from China to lower-cost locations can be attributed to rising wages, domestic supply chain bottlenecks, and investor concerns about stricter regulation of foreign companies, along with the escalating trade war between Washington and Beijing. Vietnam and Thailand have emerged as significant beneficiaries of these supply chain shifts. India is now being positioned to become a complementary Asian manufacturing hub to China (Wignaraja, 2023), regarded as a reliable alternative destination among the largest global FDI recipients, driven by its rapid economic growth, a large educated labour pool, and a vast domestic market (Economic and Social Commission for Asia and the Pacific, 2023).

An influential view, most prominently presented by Rajan and Lamba (2024), argues that India's services sector is the primary driver of economic growth in an increasingly globalised world of services. They suggest that India should leverage its comparative advantages in labour to enhance its role in both the domestic economy and global services trade, particularly in digitally delivered services. They conclude that India ought to invest more in human capital and skills to capitalise on this strength in services. This view holds some merit, as India does possess favourable demographics with a youthful population, providing ample supplies of low-cost manpower. However, international development history indicates that relying solely on services development may be inadequate for a large economy like India to progress beyond lower middle status and create high-quality jobs.

The crucial role of manufacturing development in generating jobs and prosperity is emphasised by the East Asian miracle story. This narrative begins with the industrialisation of Japan during the inter-war period, followed by the emergence of the four East Asian dragon economies (Korea, Taiwan, Hong Kong, and Singapore) in the 1960s and 1970s, and China since the 2000s.

Looking further back in history, the rise of the UK, Germany, and the US occurred alongside the industrial revolutions of the 18th and 19th centuries.

Furthermore, the evidence suggests that pessimism regarding manufacturing and supply chains in India appears to be shifting at last. One indication comes from within the Indian manufacturing sector itself. The Purchasing Managers Index (PMI) summarises whether market conditions for manufacturing are expanding, remaining the same, or contracting, as perceived by purchasing managers. India's PMI is well above 50, relatively high compared to comparator economies including China and Indonesia (ADB, 2025). Furthermore, there have been significant micro-level investments by global MNCs in India. Prominent among these is Apple, which has been ramping up its manufacturing of iPhones in India since 2020; Toyota has increased its investment by establishing a new plant in Karnataka, and Hyundai's 2024 investment in Maharashtra has enhanced its capacity and encouraged technological advancement. India's manufacturing sectors in areas such as automotives, pharmaceuticals, and electronics assembly are already well-established and stand to benefit from a series of policy initiatives, which have resulted in a 69% increase in FDI equity inflow in the manufacturing sector over the past decade of 2014-24 compared to the previous decade of 2004-14.

Perhaps most important in uncertain global times has been the visible advancement in India's defence manufacturing sector, largely due to the Make in India initiative (Ahuja, 2024). In 2023-24, it experienced an increase of 174% (CK) over the past decade, along with a boost in exports. India aims to become a defence manufacturing hub, targeting 3 lakh crore ($35 billion CK) in defence production by 2029. Start-ups, large domestic companies, and multinationals are actively developing a range of products. For instance, in 2024, Airbus, in partnership with Tata Advanced Systems, inaugurated a C295 final assembly line complex in Gujarat for producing military transport aircraft for the domestic market.

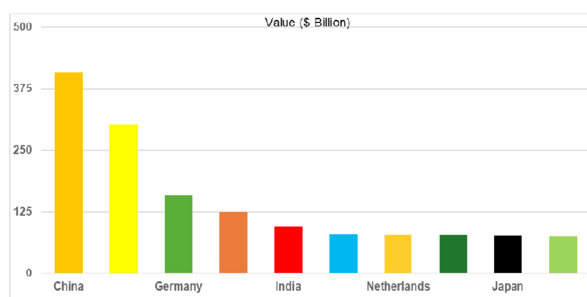
An impressive performance has been that of the BrahMos, a long-range supersonic cruise missile developed collaboratively by India's Defence Research and Development Organisation (DRDO) and Russia's NPO Mashinostroyeniya. India exported the BrahMos to the Philippines in 2024, and in 2025, it has been in talks with Vietnam and Indonesia for similar exports. In the conflict between India and Pakistan on 7-8 May 2025, the vastly superior performance of the BrahMos has resulted in increased inquiries for exports and enhanced discussions between India and Russia for advanced versions of the missile.

With this new confidence, India needs reforms that promote trade openness, reduce the red tape regulations strangling businesses, and facilitate investments in renewable green energy (Das, 2024; World Bank, 2024). Closer policy coordination between the central government and India's semi-autonomous states is essential in areas such as attracting foreign direct investment and cross-provincial infrastructure development (including national highways and high-speed road networks).

Is there some merit in revisiting India's landmark 1991 reforms? Influential commentators like Douglas Irwin (2025) suggest that the political economy of reforms matters. He argues that in 1991, reform-minded technocrats persuaded political leaders to reject what had been a standard response to balance of payments pressure (import repression to avoid a devaluation) and embrace a new approach (exchange rate adjustment and a reduction of import restrictions). Several other elements now need to coalesce. Supply chains rely on a multitude of service inputs. In this vein, India's service sectors (including information and communications technology, financial and professional services, and transport and logistics) are also positioned for growth.

The final goods produced in these factories rely on sophisticated semi-finished goods from abroad, which have contributed to the growing Indian imports of intermediate goods. Thus, a second indication of India's ascent in the global supply chain is its role as a major global importer of intermediate goods. In the fourth quarter of 2023, the WTO ranked India as the fifth-largest importer of intermediate goods (see Figure 1) – up from the 10th rank in the second quarter of 2021. In 2023, India was behind top global importers such as China, the U.S., Germany, and Hong Kong. The country is now positioned ahead of European developed country importers (the UK, Netherlands, and France) as well as Japan. Few foresaw India's emergence as a leading global importer of intermediates a decade ago.

Figure 1: World's Ten Largest Intermediate Goods Importers



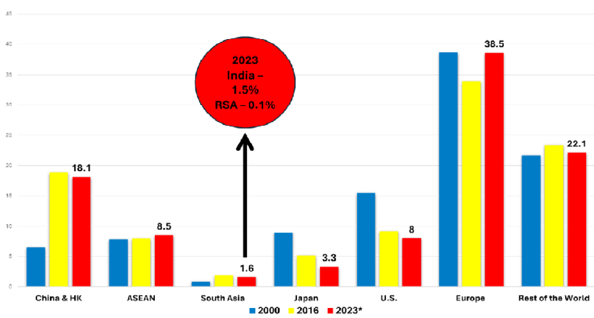
Notes: Figures in $billion
Source: World Trade Organisation, 2023

A third indication of India's role in global supply chains is its position as an exporter of intermediate goods. Here, the data suggest that India and South Asia as a whole are relatively small players in supply chains compared to East Asian or developed economies. Between 2000 and 2023, India's share of world intermediate goods exports doubled from a modest 0.8%

to 1.5% (see Figure 2). Adding the rest of South Asia (an estimated 0.1% of world intermediate goods exports) to India's share yields a tiny regional total of only 1.6% in 2023. Meanwhile, China and Hong Kong account for 18.1% of the world share, and ASEAN contributes another 8.5%. Although declining, Japan, the U.S., and the EU hold larger world shares than South Asia.

Furthermore, there are very limited regional spillovers from India's supply chain activities to the rest of South Asia. Intra-regional trade in South Asia, at 5% in 2017, is among the lowest globally. This positions South Asia as one of the world's most economically disconnected regions. Despite its increasing trade volume with the world, India's trade with its neighbours constitutes between 1.7% and 3.8% of its global trade. India's largest regional trading partner is Bangladesh, followed by Sri Lanka and Nepal.

Figure 2: South Asia in World Shares of Intermediate Goods Export (%)



Note: * represents estimates
Source: WTO (2023), Wignaraja (2023)

Trade Diplomacy in High Gear

Since 2022, the Modi government has renewed its emphasis on preferential openings with trading partners through a series of bilateral trade deals, such as the UAE-India Comprehensive Economic Partnership Agreement and the Australia-India Economic Cooperation and Trade Agreement (ECTA). Additionally, it has joined significant regional trade frameworks like the Indo-Pacific Economic Framework (IPEF) (Dhar 2022). A trade agreement signed with the UK in May 2025 offers notable gains in services and ambitious market access (Wignaraja, 2025). This will enhance ongoing negotiations with the EU to conclude an equally comprehensive, high-standard FTA and with the U.S. for a partial Bilateral Trade Agreement. India is a latecomer to Asia's FTA bandwagon but is striving to catch up with East Asia (Kawai and Wignaraja, 2013; Wignaraja, 2022). According to the Asian Development Bank's Asia Regional Integration Centre database, India has 17 concluded FTAs and another 19 under negotiation (see Table 1). In terms of concluded FTAs, India ranks alongside leading Southeast Asian countries like Indonesia (19), Malaysia (19), Thailand (16), and Viet Nam (18).

The geopolitical signalling regarding trade openness in 2025 is significant. India is progressing with free trade agreements with the Global North, which has positive implications across the board. Firstly, an India-EU FTA alongside an India-UK FTA could strengthen reformed global rule-making on international trade and potentially revitalise the WTO – a stated goal of India. Secondly, FTAs act as a stepping stone to India's membership in the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). The CPTPP, a high-standard mega FTA that reduces trade barriers for its members and which India declined to join, represents a significant share of world trade. The 12 members, including Japan and the UK, collectively account for 15% of global trade and 15% of world GDP.

The CPTPP includes agendas for services, trade, investment rules, intellectual property rights, government procurement, etc., which support the spread of supply chains. Consultations with businesses during FTA negotiations and the provision of business development services for FTA implementation are essential, as trade and investment do not necessarily increase merely because an FTA is signed.

As Indian businesses gain experience and confidence in trading under the agreements with the Global North, facilitating closer economic integration, India can effectively study the economic benefits and costs of CPTPP accession. It provides access to multiple markets at once, will benefit India from the China+1 strategy, and boost business for MSMEs, which account for 40% of India's exports. This will resonate throughout South Asia, where SMEs are the backbone of these economies but do not yet contribute significantly to exports.

Table 1: South Asia: Joining the bandwagon of FTAs

Country	Negotiations launched	Concluded FTAs
Japan	7	21
China, People's Republic of	8	25
Korea, Republic of	12	28
Hong Kong, China	1	9
Taipei,China	2	6
Brunei	1	11
Cambodia	1	11
Indonesia	11	19
Malaysia	8	19
Philippines	3	11
Singapore	7	35
Thailand	10	16
Vietnam	2	18
India	19	17
Sri Lanka	5	7
Bangladesh	3	5
Pakistan	6	13
Maldives	1	4
Bhutan	2	3

Source: Asia Regional Integration Center, February 2025

At home, the FTAs will provide the country with a unique opportunity to implement necessary reforms and open up its economy, as it did in 1991. This, in turn, will increase foreign capital, enhance skills, foster R&D and innovation, and drive the country towards a more competitive and open economy.

Thus far, India has undertaken the following initiatives to enhance manufacturing:

- **Make in India:** Launched in September 2014, it aimed to transform India into a global design and manufacturing hub. The focus was on facilitating business by reforming policies to make them more investor-friendly and emphasising infrastructure development.
- **Atmanirbhar Bharat:** Launched in May 2020, the Self-Reliant India Campaign focused on reforming seven key sectors, particularly to facilitate business.
- **Product Linked Incentive (PLI) Scheme:** Launched as a continuation of Atmanirbhar Bharat, this initiative provides financial incentives for increased production and incremental sales across an additional 14 sectors. The objective is to support and enhance India's manufacturing sector.

Lessons from China

Some aspects of China's industrial policy may be relevant to India, such as better targeting of multinationals with which to partner for new industrial endeavours that could provide potential comparative advantages. It necessitates improved coordination between the central government and state administrations. Equally important is investment in higher education in science, technology, engineering, and mathematics.

However, industrial policy is a contentious area, and caution should be exercised before India attempts to emulate China's state interventionist template. Significant risks include government failure and cronyism. It would be prudent to engage actively with think tanks to gain insights into what might work. Still, India can learn much from China's experience.

- **Lesson 1: Promoting export-oriented FDI.** Trade liberalisation entails an open-door policy towards FDI in manufacturing and encourages high-level investment, offering competitive incentives and establishing modern SEZs as public-private partnerships.
- **Lesson 2: Reducing business hurdles.** The digitalisation of taxes, customs fees, and business administration is essential. Industrial policy aimed at facilitating the green transition and trade is increasingly being employed and can yield significant benefits.
- **Lesson 3: Fostering regional supply chains.** India should promote regional supply chains by scaling up the Make in India programme to a Make in South Asia initiative. India can offer fiscal incentives to its manufacturers to expand into Bangladesh and Sri Lanka. The food processing, textiles, apparel, and automotive sectors are suitable for regional expansion, considering the factories and expertise of these neighbours.

Lifting Up India's Neighbours

At present, much of South Asia is not a significant part of India's trade narrative, despite the economic potential of certain countries. Therefore, it is economically beneficial for India to disseminate the advantages from this trade regionally, fostering resilient and cost-effective regional supply chains in South Asia. This will stabilise the region, create jobs, and render its neighbours less vulnerable to the potential risks associated with Chinese infrastructure investments, including debt distress linked to high interest, low return port projects, as well as environmental challenges (e.g. deforestation, habitat destruction, water pollution, and increased carbon emissions).

In this spirit, India-Sri Lanka FTA talks could be resumed, with a view to concluding an investment deal, followed by a more comprehensive FTA. Cutting redundant business regulations and strengthening investor protections in Sri Lanka are crucial for attracting Indian foreign investors to the country's ports, logistics, renewable energy, digital economy, and tourism ventures. Such ventures generate much-needed foreign exchange and provide Sri Lanka with a path away from indebtedness and towards transformative growth.

A sure way for South Asia to establish resilient and cost-effective regional supply chains is for Indian businesses to invest in the region and cultivate substantial local linkages and spillovers for their South Asian partners (Kathuria, Yatawara and Zhu, 2021). This is already occurring to a limited extent in Sri Lanka and Bangladesh. The Adani Group, for instance, has invested in a joint venture with John Keels Holdings to develop the West Container Terminal at Colombo Port. This project leverages Sri Lanka's advantageous geographical position along the main East-West global sea route and transhipment trade to India.

Bangladesh was growing rapidly, boasting a larger domestic market and cheaper wages than Sri Lanka, until its internal crisis. It had become an attractive destination for Indian FDI in the manufacturing sector. Tata Motors, Hero MotoCorp, Sun Pharma, Godrej, VIP, CEAT Tyres, and Aditya Birla Cement all established factories in Bangladesh. A natural corollary would have been increased private investment in consumer-oriented sectors and start-ups focused on fintech, healthcare, and agritech, aimed at developing a local ecosystem with access to seed funding and technology transfer from India. However, these potential developments are now on hold due to political events.

India-Sri Lanka: A Model for South Asian Cooperation

The joint statement released following Prime Minister Narendra Modi's visit to Colombo in April 2025, and Sri Lanka's President Anura Kumara Dissanayake's visit to New Delhi in December 2024, highlighted India's commitment to assist Sri Lanka in becoming an energy hub, strengthening India-Sri Lanka defence cooperation, enhancing educational, health, and technological exchanges, and promoting Indian FDI in Sri Lanka.

It is evident that India recognises Sri Lanka as a premier partner in transforming South Asia into a progressive economic region amid an uncertain global economy. Sri Lanka has recorded the highest GDP per capita in South Asia, peaking at $4,388 in 2017, driven by a robust machine of medium and small enterprises. Its decline over five years to $3,3431 per capita has dealt a blow to a country used to a comfortable standard of living. This is what Dissanayake has pledged to reverse. He has affirmed that Sri Lanka will proceed with its 17th IMF programme while increasing social spending to alleviate high poverty levels. He is enhancing governance by implementing anti-corruption measures, digitising the government, and modernising agriculture.

The bilateral agreements with India assist the new government in continuing these efforts and shifting the focus of the relationship from aid to trade. India has committed to supporting Sri Lanka in the digitalisation of its public services, a model that India has pioneered, which will aid in fulfilling some of the promises made by the NPP for targeted social protection and anti-corruption. A Memorandum of Understanding (MoU) was signed during PM Modi's visit to Colombo in April 2025 with Sri Lanka to establish a high-voltage direct current (HVDC) connection for importing and exporting power. A tri-partite agreement between India, the UAE, and Sri Lanka to develop Trincomalee into an energy hub is a model that can be replicated in other sectors.

It's a promising start that can elevate the bilateral relationship to resemble the close cooperation evident among Thailand, Cambodia, and the Lao People's Democratic Republic, for instance, in the Greater Mekong sub-region. New Delhi and Colombo can consider piloting a regional PLI scheme in Sri Lanka, similar to the Government of India's efforts to build domestic capabilities in sophisticated manufacturing industries, including solar panels, electric vehicles, and electronic components. A limited extension of the domestic PLI scheme to Indian businesses for manufacturing solar panels in Sri Lanka will mitigate the risks of overseas investment and foster regional supply chains in the neighbourhood – a key goal for India's China+1 strategy. Such enhanced cooperation with Sri Lanka is almost a necessity. India is facing a hostile neighbourhood in 2025. Relations with Bangladesh are strained; the debt-distressed Maldives reluctantly accepted a short-term liquidity inflow from an RBI swap after China cooled towards its request for aid. Nepal's Prime Minister K.P. Sharma Oli has just signed a framework agreement with China to implement infrastructure projects under the Belt & Road Initiative. Struggling economically under Taliban rule, Afghanistan risks becoming a regional centre for narcotics trade and illegal migration, as does Myanmar to India's east. Relations with Pakistan remain in cold storage.

These issues concern both India and Sri Lanka. An effective economic partnership in South Asia can serve as a model for others, bolster India's Neighbourhood First Policy, and enhance India's position as a regional power.

Conclusion

The slowdown of the Chinese economy and the shift, particularly by MNCs, from China to other, more competitive locations, have opened up business opportunities for latecomers to supply chains in the developing world. The available evidence suggests that Southeast Asia and some South Asian countries, such as India, Sri Lanka, and Bangladesh, could benefit from the supply chain shift, particularly in labour-intensive segments. The shift is underpinned by geopolitics, as well as the availability of skilled and relatively low-cost labour and a large middle class. However, these factors carry constraints: Southeast Asia does not offer scale, and South Asia, which can, is a latecomer to trade-led regionalism, therefore constrained by policy barriers and infrastructure gaps.

Three policy implications arise from the analysis presented in this paper regarding the enhancement of India's and the broader South Asia's role in global supply chains. First, openness to trade and FDI inflows is fundamental for entering and deepening a country's position in global and regional supply chains. The Trump reciprocal tariffs might be viewed as an opportunity for South Asia to implement comprehensive trade and FDI reforms, reduce red tape, and digitise business procedures to improve the ease of doing business and minimise corruption vulnerabilities. It may be prudent to reconsider the case for 'big bang' comprehensive reforms, as gradual, incremental reforms have yielded mixed results.

Secondly, countries should invest in trade-related infrastructure, such as transhipment ports, logistics services, and connectivity between ports and roads, to significantly reduce trade costs. In this context, enhancing the performance of Special Economic Zones (SEZs) to attract both foreign and domestic investors, along with the clustering of business activities, is advantageous as trade and investment reforms may require time.

Third, concluding comprehensive free trade agreements with India's neighbours, such as Sri Lanka, would help to reduce regional trade barriers and establish rules-based trade in the region amidst global uncertainty. In this context, India should consider time-bound fiscal and financial incentives to encourage the regionalisation of supply chains in its neighbourhood, similar to its own PLI scheme.

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WINNING WITH COMPETITIVE ADVANTAGE - THE PATH TO BUSINESS SUCCESS: DRIVING GROWTH AND MARKET LEADERSHIP

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Introduction : Competitive advantage refers to the Unique Attributes, Qualities, Resources, or Strategies that allow an organization to outperform its competitors in the market. It provides an edge that enables the organization to attract customers, generate higher sales, and achieve sustained profitability.

Competitive advantage benefits an organization by differentiating it in the market, increasing market share, increased customer demand, enabling premium pricing, fostering customer loyalty, creating barriers to entry, building brand reputation, driving operational efficiency, improved profitability, innovation, and the ability to attract top talent and supporting sustainable growth. It positions the organization for long-term success and profitability in a competitive business environment by creating a sustainable and unique position in the market.

There are several potential sources of competitive advantage that businesses can leverage to achieve success.

The Power of Competitive Advantage : A strong competitive advantage is the foundation of long-term success. It's the force that draws customers to you, drives your sales, and secures sustained profitability. This unique edge allows you to:

- **Stand out in the market** and attract a larger share of customers.
- **Command premium pricing** because what you offer is truly special.
- **Build deep customer loyalty** that keeps people coming back.
- **Create barriers to entry** for would-be competitors.
- **Forge an unstoppable brand reputation** that resonates with everyone.

This advantage isn't a one-time win; it's a continuous journey. It drives operational efficiency, fuels innovation, and allows you to attract and keep the very best talent. It positions your organization for enduring success.

"Competitive edge is the engine; success is the journey".

The Heart of Success : Every business that's made a mark on the world has leveraged its unique strengths to create an undeniable advantage. This isn't something you stumble upon by chance. **Winning isn't luck—it's leverage built on advantage.**

When you focus on what makes you unique—your people, your processes, your product, your capability, your competency —you unlock a powerful chain reaction. That single, unique attribute sets off a ripple effect of growth and success that lasts for generations.

Advantage Ignites Growth, Success Sustains Legacy.

Sources of Competitive Advantage

"Competitive Advantage: Your Edge for Today, Your Legacy for Tomorrow."

What sets a business on a path to greatness?

- It's not just about what you sell, but how you sell it.
- It's not just about what you sell, but how you solve problems and how you build trust with every client.
- It's not just about your products, but how you connect with your customers and how you solve their biggest challenges.
- It's not just about your technology, but how you use it to create seamless experiences and lasting relationships.
- It's not just about your size, but how you demonstrate agility, how you foster innovation, and how you earn trust in every interaction.

This is the true power of competitive advantage — **a unique blend of resources, strategies, innovation, culture, customer trust, resilience, and capabilities** that doesn't just help a company compete, but empowers it to lead, shape, and dominate its market.

Your advantage isn't accidental—it's **built on strategy, innovation, operational excellence, brand reputation, adoption of advanced technology, supply chain mastery, superior quality, unique resources, and the unique value** you provide that sets you apart. **"Stand Out by Design, Not by Chance."** Your deliberate choices inspire trust, loyalty, and preference—**"Where Strategy Meets Irresistible Value."** In a crowded market, you don't just compete, you lead: **"Advantage Engineered, Success Assured."**

Sources of competitive advantage are the unique strengths—whether in capabilities, resources, innovation, brand equity, customer relationships, cost leadership, or differentiated offerings—that empower a company to consistently outperform competitors. They create a distinctive market edge that is hard to imitate or replicate, enabling not just short-term wins but long-term resilience, profitability, and leadership. A truly sustainable competitive advantage goes beyond efficiency; it ensures customer loyalty, adaptability to change, and strategic relevance in an evolving business landscape.

Companies can leverage competitive advantage from multiple sources, the most common being:

Let's now study each of them with examples.

Cost Leadership:

"Efficiency isn't just about cutting costs—it's about smart resource allocation and operational mastery that lets you offer unbeatable value while maintaining healthy margins."

Cost leadership is a strategic advantage achieved not by simple budget cuts, but by a masterful approach to operational excellence. It's the art of creating superior value through offering products or services at a lower cost than competitors while maintaining acceptable quality. By systematically minimizing production costs, streamlining every process, and leveraging economies of scale, organizations can unlock powerful, sustainable advantages that competitors find difficult to replicate. This strategy's core is the ability to deliver uncompromising quality at prices that are simply unbeatable. When an organization is fully committed to this level of operational discipline, it transforms traditional constraints into limitless opportunities for market dominance and growth. It proves that a focus on **"Lean costs"** can indeed lead to **"limitless possibilities."**

Examples: Maruti Suzuki, an Indian automobile manufacturer, has established cost leadership in the Indian market. The company's focus on operational efficiency, economies of scale, and localization of production processes has allowed it to offer vehicles at competitive prices. Maruti Suzuki's extensive distribution network and strong after-sales service support further contribute to its cost leadership advantage in the Indian automotive industry.

Some more Examples are Walmart is known for its low-cost leadership by leveraging efficient supply chain management, cost-effective operations, bulk purchasing power its and ability to offer low prices to customers.

Southwest Airlines, an American low-cost carrier, has established itself as a cost leader in the aviation industry. The airline focuses on minimizing operational costs through efficient processes, high aircraft utilization, and streamlined operations. IKEA, a Swedish multinational furniture retailer, is known for its cost leadership approach. The company designs its products for efficient production, utilizes flat-packaging for cost-effective transportation, and encourages customers to self-assemble furniture, reducing labor costs.

Differentiation:

"Standing out isn't about being different for the sake of it—it's about creating unique value that customers can't find anywhere else and are willing to pay premium prices to get."

Differentiation is the art of standing apart by delivering what others cannot. Whether through unique features, superior quality, or innovative design, it elevates market positioning and builds stronger customer preference. "Be different, be desired." By offering distinctive value, organizations inspire loyalty and command premium recognition—"Innovation that speaks, quality that lasts." In a crowded market, true leaders rise by redefining standards—"Stand unique, lead unmatched."

Examples: Amul, an Indian dairy cooperative, has differentiated itself through its "Amul Girl" mascot, catchy advertising campaigns – Amul Doodh Peeta hi India, and the tagline "The Taste of India". Amul's focus on high-quality dairy products, a vast product portfolio, and a robust distribution network have helped it build a strong brand with a loyal customer base.

Titan, an Indian consumer goods company, has differentiated itself in the watch industry through design, innovation, and brand positioning. The company offers a wide range of watches with unique designs, cutting-edge technology, and a mix of affordable and premium offerings.

Other Examples are Apple Incorporation, known for its differentiated products and user experience, such as the iPhone and MacBook.

LEGO, a Danish toy company, has differentiated itself through its iconic interlocking building blocks and focus on creativity and imagination. LEGO's emphasis on quality, innovation, and engaging play experiences has made it a beloved and trusted brand worldwide.

Nike, an American sportswear and athletic footwear company, differentiates itself through product innovation, cutting-edge technology, and brand positioning. Nike's differentiation strategy, combined with its strong brand image, gives it a competitive advantage over its rivals.

Technological Innovations & Intellectual Property Rights & Patents:

"Innovation today becomes your competitive moat tomorrow." "Technology isn't just a tool—it's your blueprint for market dominance." "Smart innovation creates tomorrow's industry standards today."

Developing cutting-edge technologies or products. Competitive advantage often stimulates innovation and encourages organizations to continuously improve and develop new products, services, or business models.

Examples: Tesla, known for its innovative electric vehicles and advancements in autonomous driving technology.

Legal protection turns your ideas into exclusive market advantages."

"Patents don't just protect ideas—they weaponize them against competition." "Intellectual property: where creativity meets competitive fortress."

Intellectual Property Rights & Patents are powerful sources of competitive advantage—they safeguard unique ideas, inventions, and designs, ensuring exclusivity and protecting against imitation. By securing patents, trademarks, and copyrights, organizations not only protect their innovations but also monetize creativity through licensing, royalties, or strategic partnerships. "**Own the idea, rule the market**." Strong IP portfolios enhance investor confidence, strengthen brand credibility, and create legal barriers that competitors struggle to cross. "Protected innovation, unstoppable growth".

Example: Pfizer, which holds patents for drugs like Viagra and Lipitor, providing them with exclusivity in the market.

Strong Financial Position:

"**Financial strength isn't just about having money—it's about having the freedom to act when opportunities arise and competitors can't."**

A strong financial position having robust financial resources and stability can indeed be a significant competitive advantage for a business. It provides the company with the ability to maneuver and take advantage of opportunities that may not be accessible to financially weaker competitors.

"A strong balance sheet is your competitive insurance policy and growth accelerator rolled into one."

Examples: Berkshire Hathaway, a conglomerate led by Warren Buffett, known for its financial strength and diverse portfolio of investments.

Reliance Industries Limited (RIL) exemplifies how financial strength drives competitive advantage in India. As one of the nation's largest conglomerates, RIL has diversified into petrochemicals, refining, energy, retail, telecom, and digital services. Its robust finances enabled bold investments and large-scale expansions, while visionary leadership, strategic decisions, and customer focus cemented its dominance across industries.

Strong Brand Equity & Reputation:

"Your brand isn't just recognition—it's the premium customers willingly pay for the promise you consistently deliver."

Strong brand equity and reputation are powerful sources of competitive advantage. Brand equity reflects the value and perception customers attach to a brand, while reputation shapes how stakeholders—customers, employees, investors, and the public—view the company. Together, they drive trust and loyalty, price premium, market share growth, talent attraction, strategic partnerships, brand diversification, crisis resilience, and formidable entry barriers, making the brand a lasting differentiator in competitive markets.

"Brand equity turns marketing into momentum and trust into sustainable profits."

Examples: Coca-Cola, a globally recognized brand with a long-standing reputation for quality beverages.

Another example, Tata Group is a multinational conglomerate with a diverse portfolio of businesses, including Tata Motors, Tata Steel, Tata Consultancy Services (TCS), Tata Power, and more. The Tata brand as a trusted and preferred choice in the Indian market is known for its integrity, social responsibility, and commitment to quality, which has resulted in a strong brand equity and reputation.

Strategic Engagements - Networks & Distribution Channels:

"**Your network isn't just who you know—it's the strategic pathways that multiply your market reach and accelerate growth**."

Strategic engagements with networks and distribution channels can indeed lead to a competitive advantage for companies. These engagements involve forming partnerships, collaborations, or utilizing existing distribution networks to enhance market reach, increase sales, and create unique value propositions.

Examples: Amazon, which has a vast network of sellers, warehouses, and a reliable logistics system, providing them with a competitive advantage in e-commerce.

Coca-Cola has established a powerful distribution network that spans across the globe. The company has partnerships with numerous bottling companies, ensuring that its products are widely available in nearly every corner of the world. This extensive distribution network has been a key factor in Coca-Cola's ability to maintain its position as one of the world's most recognized and valuable brands in the beverage industry.

"Strategic partnerships turn individual strengths into collective dominance across multiple markets."

Suppliers and Customer Relationships are vital pillars of Strategic Engagement. Strong supplier partnerships ensure reliability, quality, and cost efficiency, while a loyal customer base drives sustained demand, trust, and advocacy. Together, they create a mutually reinforcing advantage that enhances resilience, reduces risks, and strengthens long-term competitiveness in the market.

Example: Nike, which maintains strategic partnerships with suppliers for high-quality materials, and has a dedicated customer following for its athletic footwear and apparel.

Procter & Gamble (P&G), a multinational consumer goods company, has effectively utilized a network of retail partners, including supermarkets, drugstores, and convenience stores, to distribute its extensive product portfolio. The company's wide-ranging product availability and strong brand recognition have contributed to its competitive advantage in the fast-moving consumer goods industry.

Operational Excellence, Agility & Speed to Market:

"**Excellence isn't perfection—it's the relentless pursuit of doing things faster, better, and more efficiently than anyone else can match**."

Efficient processes, adaptability, and fast product/service delivery. Example: Toyota, known for its lean manufacturing principles, enabling them to achieve operational efficiency and quick response to market demands.

"**Agility turns market changes from threats into opportunities while competitors are still figuring out what happened**."

Agility also creates a competitive advantage to an organization's ability to respond quickly and effectively to changing market conditions, customer demands, and competitive pressures.

"Speed to market isn't just about being first—it's about capturing value before competition even arrives."

Examples: Flipkart, an Indian e-commerce company, has demonstrated agility as a competitive advantage in the highly dynamic and competitive e-commerce market. It quickly adapted its business model, supply chain, and technology infrastructure to meet changing customer expectations and market demands. Similarly, Zara, a Spanish fashion retailer, is known for its agility in the fast-fashion industry worldwide; Netflix, an American streaming service, has leveraged agility as a competitive advantage in the entertainment industry.

Risk & Resilience

"**Resilience isn't just surviving storms—it's building the strength to thrive when others are merely trying to weather them**."

Risk management and organizational resilience are powerful sources of competitive advantage. By anticipating uncertainties, adapting to disruptions, and responding effectively to crises, companies not only protect performance but also gain stability, stakeholder confidence, and long-term sustainability—outperforming competitors who lack such preparedness.

"**True resilience means bouncing back stronger, not just bouncing back**."

Examples: Mahindra & Mahindra (M&M) showcases how resilience and risk management fuel competitive advantage. With a diversified portfolio spanning automobiles, tractors, and mobility solutions, M&M has successfully navigated market shifts and economic fluctuations. Its ability to adapt, innovate, and stay customer-centric has ensured sustained strength and leadership in the Indian automotive market.

Toyota, a Japanese multinational automotive manufacturer, is renowned for its risk management and resilience in the automotive industry. The company's Toyota Production System, which emphasizes lean manufacturing and just-in-time principles, enables it to respond quickly to changes in demand and manage supply chain disruptions effectively. Toyota's focus on quality, continuous improvement, and risk mitigation contributes to its competitive advantage and reputation for reliability in the global automotive market.

Creating Entry Barriers :

"**Entry barriers aren't walls to hide behind—they're strategic moats that force competitors to fight uphill battles**."

Creating entry barriers is a powerful competitive advantage. Companies achieve this by building strong brand recognition, proprietary technologies, extensive distribution networks, customer loyalty, and navigating regulatory complexities. These factors make market entry costly or difficult for new players, allowing established firms to protect market share, strengthen leadership, and sustain long-term profitability.

"Smart barriers don't just keep competitors out—they make customers reluctant to leave."

Examples: Patanjali has effectively created entry barriers in the Indian consumer goods market. By leveraging the trust and popularity of Baba Ramdev, promoting natural and Ayurvedic products aligned with consumer health trends, and combining this with aggressive pricing and a vast distribution network, Patanjali established a stronghold that makes it difficult for new entrants to compete effectively.

Tesla, an American electric vehicle manufacturer, has established entry barriers through technological leadership and brand positioning. Boeing and Airbus, both global aerospace manufacturers, have effectively created entry barriers in the commercial aircraft industry. Coca-Cola, a multinational beverage company, has created entry barriers through its extensive distribution network and brand recognition.

Talent, Expertise & Knowledge Pool - Continuous Learning:

"**Your people aren't just employees—they're your competitive intelligence, innovation engine, and execution advantage all rolled into one**."

Attracting skilled talent and nurturing a culture of continuous learning are vital sources of competitive advantage. Organizations recognized for their strong market position and growth potential are seen as employers of choice, drawing top industry talent. By fostering innovation, collaboration, and ongoing skill development, they not only retain high performers but also build a future-ready workforce that drives sustained success.

"The best talent doesn't just work for you—they think, innovate, and evolve with you."

Examples: McKinsey & Company, a global management consulting firm, is known for its highly skilled consultants and subject matter experts across various industries. McKinsey's reputation as a trusted advisor gives it a competitive advantage in providing strategic insights and delivering value to clients.

Similarly, Google, renowned for attracting top talent, investing in employee development, and staying at the forefront of technological advancements. an Indian multinational technology companies, Infosys & Tata Consultancy Services (TCS), have built a strong talent pool of skilled professionals in the field of information technology.

Compliance, Regulatory & Legal Advantage

"**Regulatory compliance isn't just following rules—it's mastering the game board while competitors are still learning to play**."

Compliance, regulatory, and legal excellence can be a strong competitive advantage. By strictly adhering to laws, regulations, and industry standards, companies gain credibility, risk protection, and stakeholder trust, while also avoiding penalties and disruptions. Proactive compliance often creates an edge by enabling smoother operations, faster market approvals, and stronger reputational standing over less-prepared competitors.

"Smart compliance creates sustainable moats that money alone can't breach."

Examples: Tata Power has demonstrated how proactive compliance creates advantage by aligning with environmental regulations, driving renewable energy initiatives, and positioning itself as a responsible and preferred energy provider.

Similarly, Johnson & Johnson's strong focus on compliance and regulatory affairs has enhanced its brand reputation, customer loyalty, and global competitiveness, proving that adherence to standards can be a strategic differentiator.

Boeing, an American aerospace manufacturer, operates in a highly regulated industry with strict compliance requirements. The company's robust compliance programs ensure adherence to safety standards, regulatory guidelines, and airworthiness certifications. Similarly, PayPal, a global digital payments company, has established a regulatory and legal advantage through its compliance with financial regulations and anti-money laundering laws.

Conclusion:

In conclusion, competitive advantage is the cornerstone of business success. We explored major sources—ranging from cost leadership, differentiation, innovation, intellectual property, brand equity, customer relationships, resilience, compliance, and more—along with real-world examples that show how firms leverage them across industries. Importantly, companies often combine multiple sources to craft a unique and sustainable position.

Since competitive advantages are dynamic, not static, organizations must evolve with market shifts, industry trends, and their own strengths to stay ahead. When nurtured strategically, competitive advantage empowers businesses to attract customers, command loyalty, grow revenues, expand market share, and ensure long-term leadership.

The Article can also viewed @ https://youtu.be/eNcs7zNlt_A

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DECODING CHINA'S IMPORTS IN 2025: JANUARY–JULY DATA BREAKDOWN

YANYAN SHANG

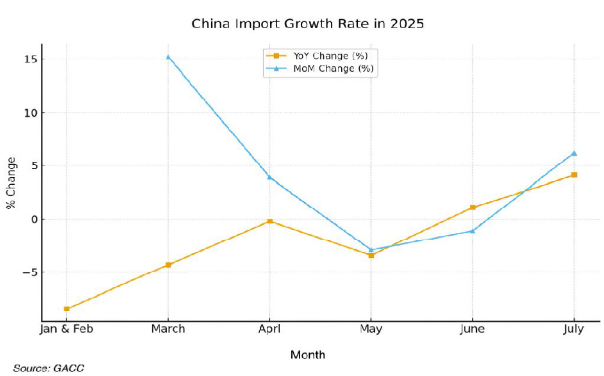
China's imports in the first seven months of 2025 reveal shifting demand across energy commodities, high-tech inputs, and consumer goods. For global exporters and investors, the data provides insights into where new opportunities are emerging, how supply chains are realigning, and what strategies can help capture growth in China's evolving market.

China's import patterns are a vital barometer for global businesses. They reveal not only the state of domestic demand but also how China is positioning itself within international supply chains. For companies selling into the Chinese market or relying on China's role in global production, shifts in imports provide early signals of emerging opportunities, policy shifts, and risks to watch.

Between January and July 2025, China imported goods worth around US$1.45 trillion, according to the **General Administration of Customs (GACC)**. The data shows both short-term fluctuations and long-term adjustments across key sectors. Imports of energy and raw materials remained substantial, technology-related goods such as semiconductors continued to dominate, and consumer-oriented products from automobiles to cosmetics showed resilience despite a cautious macroeconomic backdrop. At the same time, changes in China's sourcing, with stronger growth from ASEAN and Belt and Road Initiative (BRI) partners, underscore evolving trade dynamics.

This article examines China's import landscape from January to July 2025 across four key areas and concludes with insights for foreign businesses, highlighting where demand is shifting and how exporters and investors can position themselves in China's changing market.

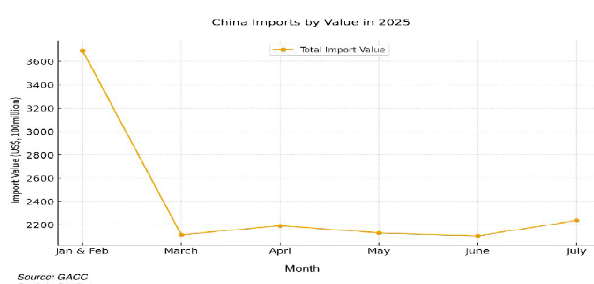
General import performance and monthly trends



In the first seven months of 2025, China's goods imports reached **RMB 10.39 trillion (US$1.45 trillion)**, a year-on-year decline of 1.6 percent. While headline growth was slightly negative, underlying demand showed resilience. Supportive policies targeting industrial upgrading and domestic consumption helped stabilize imports, with momentum **shifting to positive growth** in the second quarter. Notably, imports of petrochemicals, textiles, machinery, and other equipment recorded double-digit growth, while electronic components and other critical inputs expanded at a faster pace. Meanwhile, inbound shipments of crude oil, metal ore, and other key raw materials also increased in volume terms.

Commodity price fluctuations weighed heavily on the value of imports. As a major commodity importer—commodities account for about **30 percent** of China's total imports—China's figures are highly sensitive to price shifts. In the first half of 2025, the average import prices of crude oil, iron ore, and soybeans fell by more than **10 percent** year-on-year, dragging overall import growth down by an estimated 2.7 percentage points. This divergence underscores the need to look beyond import values and track physical volumes, which points to genuine growth in demand.

Industrial and consumer demand both contributed to the second quarter's rebound. Steady industrial production supported stronger imports of equipment and parts, with high-end machine tools and electronic components seeing significantly faster growth than in the first quarter. At the same time, recovering market sales drove up demand for certain consumer goods. With government incentives such as "old-for-new" consumption policies, retail sales growth accelerated in the first half of the year, leading to higher imports of food and beverages (up **8.8 percent** year-on-year), cultural and entertainment products (up **10.8 percent**), and daily chemical goods (up **3.1 percent**).

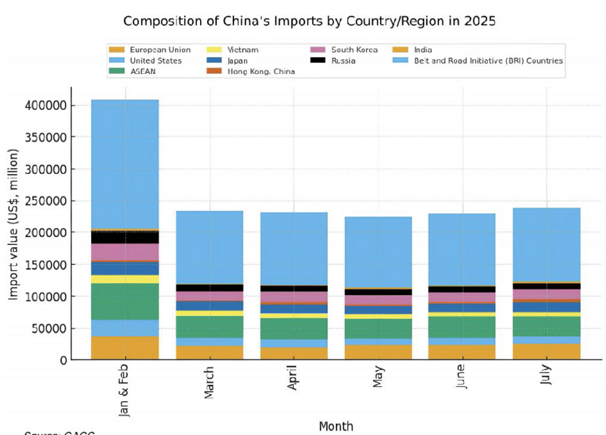


On a monthly basis, import activity reflected both seasonal and structural dynamics. Imports in the first two months totaled US$369 billion, down 8.4 percent year-on-year, due to the Chinese New Year slowdown and softer consumer demand. March saw a rebound to US$211 billion, narrowing the decline to 4.3 percent year-on-year and rising 15.2 percent month-on-month, as raw materials restocking and a rebound in commodity prices.

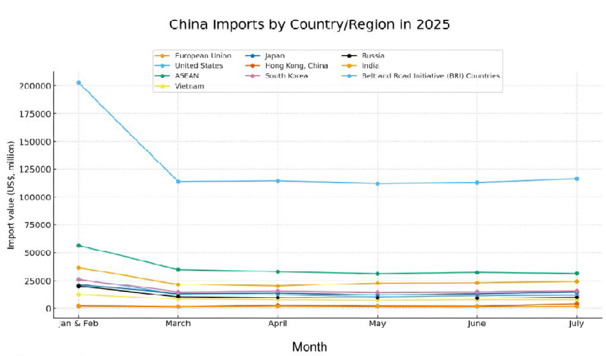
April imports remained steady at US$219 billion, nearly flat year-over-year, before softening in May and June amid easing energy prices and weaker demand in certain industrial sectors. By July, imports recovered to US$224 billion, up 4.1 percent year-on-year, supported by higher crude oil and semiconductor inflows, as well as early signs of recovery in consumer goods.

For global businesses, the data suggests that while industrial demand remains cyclical and tied to global prices, opportunities are emerging in consumer-driven imports, signaling a gradual pivot toward household demand as a more stable growth driver.

Imports by key trading partners



Source: GACC
By Asia Briefing



Source: GACC
By Asia Briefing

Between January and July 2025, China's imports from major trading partners also showed notable shifts. BRI countries remained the largest supplier, with imports totaling around US$772 billion, reflecting the strength of policy-driven trade links. ASEAN followed as the second-largest partner at US$220 billion, underscoring its role as a hub for electronics, machinery, and intermediate goods, as regional production networks deepen under China's "dual circulation" strategy. Imports from the European Union (EU) reached US$149 billion, relatively stable compared to ASEAN's faster growth.

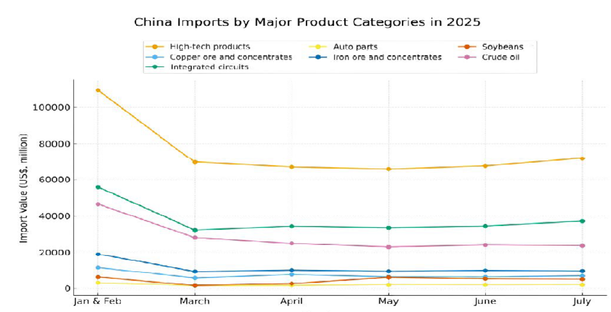
Within Asia, South Korea (US$102 billion) and Japan (US$89 billion) continued to supply critical high-tech components, though their shares have plateaued rather than expanded. Imports from the United States (US) stood at US$86 billion, with fluctuations linked to agricultural commodities and technology, partly constrained by **trade tensions** and **tariff measures**. Inside ASEAN, Vietnam contributed more than US$50 billion, highlighting its rising position as a manufacturing and re-export base for China.

Beneath these headline figures, sectoral trade flows highlight important opportunities. From the EU, imports of automotive parts surged, with transmissions for large buses up **40.8 percent** and diesel engines up **65.2 percent** in the first half of 2025. Consumer goods trade also deepened: the EU was China's largest source of imported healthcare products, bags, and jewelry, each accounting for **more than 60 percent** of China's imports in those categories.

Meanwhile, imports from other BRICS partners showed diversification in both industrial and consumer goods. China increased purchases of printed circuit boards and components for automatic data processing equipment, as well as rubber and plastics. In agricultural products, imports of palm oil and rapeseed oil rose **13.7 percent**, while edible seafood such as shrimp and crab increased **10.6 percent**.

For global exporters, these trends suggest that growth opportunities are strongest in ASEAN, BRI, and BRICS markets, where policy alignment and supply chain complementarities are driving deeper integration. Trade with traditional partners such as the EU, US, Japan, and South Korea remains significant, but their expansion has been slower and more vulnerable to geopolitical headwinds.

Imports by major product categories



Source: GACC
By Asia Briefing

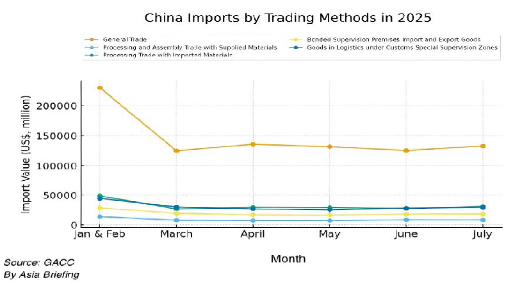
Between January and July 2025, integrated circuits remained the single largest import item at approximately US$228 billion, reflecting China's continued reliance on overseas supplies of semiconductors despite ongoing domestic capacity expansion. Imports of crude oil followed at US$171 billion, underscoring both sustained industrial demand and precautionary stockpiling amid global price volatility. Technology-related imports such as automatic data processing equipment and parts related reached around US$56 billion, underlining persistent demand for computing hardware.

Agricultural and resource commodities also played a significant role. Cereals and natural gas each totaled US$32 billion in imports, while soybeans reached US$27 billion as a vital input for China's food and feed sectors. Coal imports stood at US$19 billion, helping meet energy needs during periods of peak consumption.

On the consumer side, automobiles (US$14 billion) and meat products (US$14 billion) maintained solid inflows, reflecting steady household demand even against a cautious macroeconomic backdrop. Cosmetics and personal care goods, valued at US$10 billion, continued to grow, supported by shifting consumption patterns toward premium products and rising demand among younger urban consumers.

Overall, these figures highlight the dual structure of China's import demand. Industrial and energy-related goods still dominate by value, but consumer-oriented categories are steadily growing in importance, pointing to household demand as an increasingly influential driver of China's trade profile.

Imports by trading method



Between January and July 2025, general trade accounted for the majority of China's imports, totaling around US$880 billion. This dominance reflects a structural shift, with imports increasingly tied to direct domestic consumption and industrial demand rather than re-export processing. By contrast, processing trade with imported materials contributed about US$192 billion, while processing and assembly trade with supplied materials added US$53 billion, both reflecting a smaller share of overall imports, underscoring China's gradual move away from its traditional role as a global processing hub.

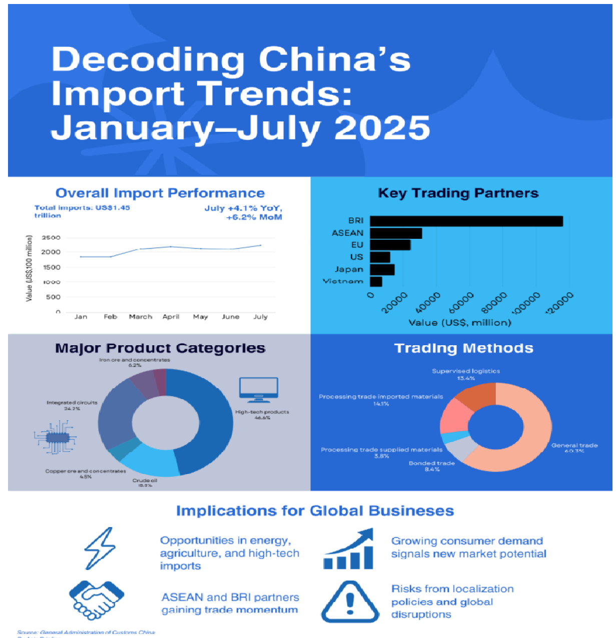
Imports under customs supervision zones also remained significant. Goods handled through logistics in such zones reached about US$184 billion, while bonded supervision premises imports contributed nearly US$118 billion.

At the same time, new trade formats are expanding. In the first half of 2025, China's cross-border e-commerce imports and exports reached RMB 1.32 trillion (US$182 billion), up 5.7 percent year-on-year. Of this, imports accounted for RMB 291.1 billion (US$40 billion), growing 9.3 percent, faster than exports, highlighting rising consumer appetite for overseas goods purchased via online platforms.

Taken together, the growing share of general trade and e-commerce imports signals a long-term reorientation of China's external trade model toward domestic demand. For foreign companies, this creates broader opportunities in household and industrial sectors, but also demands more localized strategies, stronger consumer engagement, and agile participation in digital trade channels.

Implications for global businesses

China's import trends in 2025 underline a deeper shift in how foreign companies should approach the market. Rather than reading the figures only as snapshots of demand, businesses need to interpret them as signals of China's evolving economic priorities and structural adjustments.



Three strategic implications stand out. First, the persistence of high-tech and advanced manufacturing imports shows that even as China accelerates domestic substitution, foreign suppliers of critical technologies and components will remain embedded in supply chains—though success will increasingly depend on aligning with policy priorities and forming local partnerships. Second, the steady rise of consumer-oriented imports points to household demand becoming a more reliable growth driver. Companies targeting premium and lifestyle segments, particularly through cross-border e-commerce and digital retail channels, will be best positioned to capture this shift. Third, the growing weight of ASEAN and Belt and Road economies in China's sourcing patterns suggests that competitive advantage will depend on positioning within regional value chains, not just selling directly into China.

Risks remain—localization pressures, geopolitical frictions, and price volatility in commodities could all reshape sourcing and competitiveness. Yet for firms that adapt, these challenges can be turned into resilience strategies—by diversifying supply chains, investing in China-based customization, and leveraging regional hubs to meet Chinese demand more flexibly.

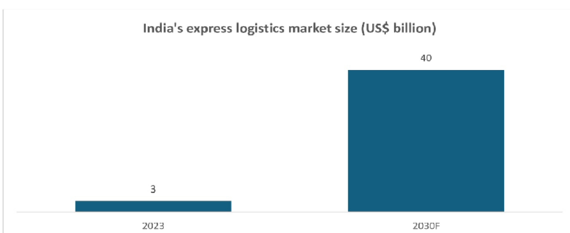
Looking ahead, the most promising opportunities lie where structural demand intersects with policy support: semiconductors and advanced machinery tied to industrial upgrading, and consumer goods linked to rising urban incomes. For global businesses, success will hinge less on chasing short-term trade fluctuations and more on embedding strategies that anticipate China's long-term pivot toward innovation-driven industry and consumer-led growth.

Source: www.china-briefing.com

FAST-TRACKING GROWTH: THE EVOLUTION OF INDIA'S EXPRESS LOGISTICS AND PARCEL MARKET

Rapid technical breakthroughs, changing customer expectations and strong government investments in infrastructure are all driving a revolutionary change in India's express logistics and parcel delivery industry. Recent developments indicate that this vibrant sector is not only changing the way commodities are delivered but is also significantly contributing to the expansion of the national economy. The rise of the hyperlocal delivery market, expanding e-commerce industry and increasing disposable incomes have been the key contributors to the boom in this industry.

The surge in express logistics and parcel delivery



Source: Redseer Insights, F- Forecasted

In recent years, India's express logistics market has grown at a rapid pace. Estimated to be worth around US$ 3 billion in 2023, it is expected to skyrocket to US$ 40 billion by 2030. The growing demand for ultra-fast delivery services, particularly in urban areas where customers desire convenience and immediacy, is primarily responsible for this spike.

Businesses that have tapped into this demand include Swiggy, Zepto and Blinkit, which deliver food and other household necessities as low as in 10 minutes. For example, Swiggy's 'Bolt' service has spread to more than 400 Indian cities and towns, including Tier 2 and Tier 3 cities like Roorkee, Guntur and Nashik. This quick growth demonstrates the industry's dedication to satisfying changing customer demands.

Source: Redseer Insights, F- Forecasted

By FY30, India's express logistics market is anticipated to grow significantly and reach a volume of 29 billion shipments, propelled by the growing e-commerce industry and the emergence of hyperlocal and fast-commerce segments. The e-commerce sector accounted for over 50% of the country's express parcel volume with 4.8–5.5 billion shipments (as of FY24). India's express parcel volume is expected to reach 10–11 billion shipments by the end of FY25.

The rise of quick commerce and its implications

In India's logistics scene, quick commerce—which is defined by lightning-fast delivery services—has become a major trend. To support this concept, businesses like Swiggy and Zepto have made significant investments in increasing the capacity of their warehouses. For example, as of 2024, Swiggy operated 538 warehouses with an average floor area of 4,000 square feet (42% more than that in 2023),

However, quick commerce has drawbacks even if it provides customers with unmatched convenience. There is fierce competition for traditional retail shops, which is a major source of livelihood. Furthermore, there are concerns related to the long-term viability of quick commerce due to the significant expenses associated with them.

Technological innovations driving efficiency

The express logistics industry in India is going through a digital revolution, as businesses use smarter technologies more frequently to satisfy rising customer expectations and delivery demands. For automated decision-making, intelligent route optimisation and real-time demand forecasting, artificial intelligence (AI) and machine learning (ML) are being used. Logistics companies can manage dynamic delivery loads, cut down on transit times and improve operational transparency with the aid of these technology. Businesses may increase service dependability, properly allocate resources and predict peak seasons with predictive analytics. As a result, even in Tier 2 and Tier 3 cities, express delivery services are growing in speed, accuracy and affordability.

The Internet of Things (IoT) is contributing significantly to the increasing end-to-end supply chain visibility in addition to AI. Real-time shipment tracking, temperature-sensitive commodities preservation and vehicle performance monitoring are all made possible by IoT-enabled devices and sensors. In addition, geofencing and RFID tags are enhancing inventory control and decreasing the number of lost packages. In order to speed up order processing and reduce human error, logistics companies are also investing in automation through robotics in warehouses and sorting centres. In the Indian logistics environment, these technological advancements are not only improving delivery efficiency but also establishing new benchmarks for scalability and customer happiness.

Major players in the logistics and parcel delivery market

- **Delhivery :** Delhivery is one of India's largest integrated logistics companies, offering end-to-end supply chain solutions, including express parcel delivery, freight, warehousing and cross-border logistics. It leverages advanced technology and data-driven platforms to ensure high-speed delivery services to more than 18,000 pin codes throughout the country.

- **Blue Dart Express :** A subsidiary of DHL, Blue Dart is a premier courier and logistics company known for its extensive domestic delivery network and reliable express services. It offers specialised solutions for industries like e-commerce, banking and pharmaceuticals, supported by air and ground transportation infrastructure.

- **Ecom Express :** Ecom Express is a leading logistics service provider focused primarily on the e-commerce industry, offering services such as forward logistics, reverse logistics and doorstep verification. With operations in over 2,700 towns, it emphasises deep penetration into Tier 2 and 3 markets.

- **XpressBees :** XpressBees started as the logistics arm of FirstCry and has since evolved into a full-scale logistics provider, offering services in B2B, B2C, cross-border and third-party logistics (3PL). Known for speed and scalability, it manages over three million shipments per day.

- **Shadowfax :** Shadowfax operates on a tech-driven, crowdsourced delivery model catering to a variety of sectors including food, grocery, pharmaceuticals and e-commerce. The company's flexible, asset-light approach helps businesses ensure rapid last-mile delivery to more than 1,200 cities.

- **Amazon Transportation Services :** Amazon Transportation Services (ATS) is the in-house logistics arm of Amazon India, built to support its massive e-commerce operations. It combines advanced AI and robotics with a vast delivery network to enhance speed and reliability across the country.

- **Flipkart Logistics (Ekart) :** Ekart is the logistics subsidiary of Flipkart, providing delivery services not only to Flipkart but also to third-party clients. Known for its deep network and automation-driven warehouses, Ekart plays a key role in powering quick commerce and scheduled deliveries.

- **DTDC Express :** DTDC is one of India's oldest and most recognised courier brands, offering both domestic and international parcel delivery services. It operates through a vast network of franchise partners and has a presence in over 14,000 pin codes across India.

Government initiatives and infrastructure development

Multi-Modal Logistics Parks : Multi-Modal Logistics Parks (MMLPs) are being developed nationwide by the government under the Logistics Efficiency Enhancement Programme (LEEP). These parks seek to save freight expenses, increase the effectiveness of warehousing and improve consignment tracking and traceability. MMLPs have the potential to completely transform freight logistics in India by combining many forms of transportation and offering cutting-edge amenities.

Dedicated Freight Corridors: To enable quicker and more effective commodities movement, the Dedicated Freight Corridor Corporation of India (DFCCIL) is leading the effort to build dedicated freight corridors (DFCs). The Western Dedicated Freight Corridor was 85% operational as of April 2024, while the Eastern Corridor was fully operational. These corridors are expected to considerably shorten transit times and improve freight transport's overall effectiveness.

Bharatmala Project : The Bharatmala initiative focuses on developing economic corridors, feeder routes and logistics parks to improve road connectivity and freight movement. By identifying 44 economic corridors and integrating them with logistics parks, the project aims to create a hub-and-spoke model that facilitates efficient cargo movement across the country.

The market for express logistics and parcel delivery in India is at a turning point, marked by quick expansion, cutting-edge technology and improving infrastructure. With ongoing government assistance and changing customer expectations, the industry is well-positioned to satisfy the needs of a changing economy. However, determining the future course of this important sector will require striking a balance between sustainability, inclusion and rapid growth.

Source: ibef.org

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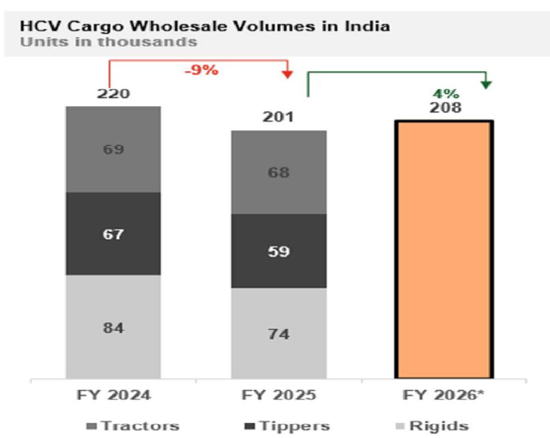
GROWTH IN MOTION – HOW INDIA'S CV INDUSTRY IS EVOLVING THROUGH 2030

DARSHAN KUDVA, EXECUTIVE DIRECTOR – AUTOMOTIVE AND SUDIPTA DAS, MANAGER – AUTOMOTIVE, PWC

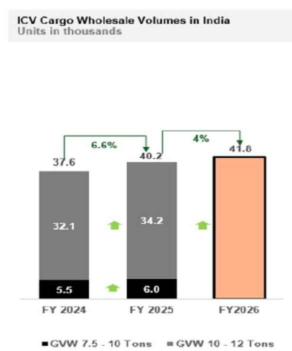
India's commercial vehicle (CV) industry stands at the cusp of steady growth, propelled by a dynamic blend of market evolution, regulatory reforms, and rapid technological advancements. Forecasts suggest that this sector will expand at a compound annual growth rate (CAGR) of 4 to 6 percent through FY30, buoyed by India's robust economic momentum – with GDP growth expected to reach 6.3 percent by FY26 – and sustained investments in core infrastructure sectors such as steel and cement.

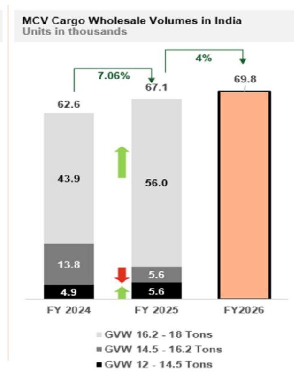
Segmental Performance and Near-term Trends

The Indian CV space is diverse, encompassing Heavy Commercial Vehicles (HCV), Intermediate and Medium Commercial Vehicles (I&MCV), Light Commercial Vehicles (LCV), and Small Commercial Vehicles (SCV), along with a growing passenger vehicle segment focused on buses.

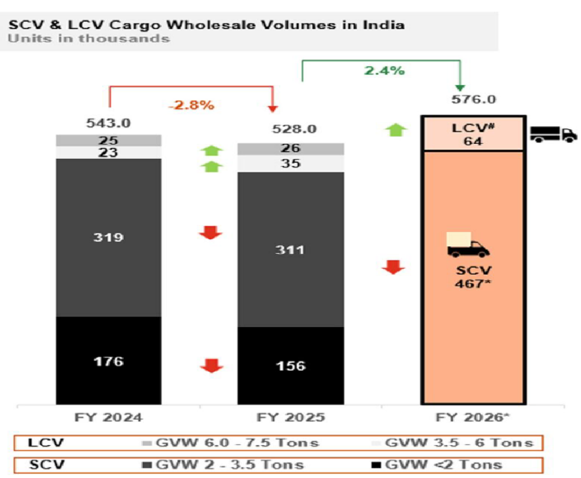


· Heavy Commercial Vehicles (HCV): After witnessing a volume dip of approximately 9 percent in FY25 due primarily to high inventory, stalled mining activity, and dealer stock adjustments, the outlook is optimistic. HCV sales are expected to rebound with a 4 percent growth forecast for FY26. This resurgence is supported by increasing freight demand – road freight is growing steadily at a 6 percent CAGR – alongside policies encouraging the scrappage of ageing vehicles. Additionally, investments in infrastructure such as the Golden Quadrilateral highway and major National Highways (with NHAI bidding 3.4 lakh crore in FY26) are fueling demand. Equally exciting is the push towards alternative powertrains, exemplified by the ambitious Green Hydrogen Hub initiative in Andhra Pradesh, with a projected investment of 1.85 lakh crore.





Intermediate & Medium Commercial Vehicles (I&MCV): This segment is expected to grow by 4 percent in FY26, particularly driven by 18.5-ton Medium Commercial Vehicles. Growth catalysts include the rise of e-commerce and fast-moving consumer goods (FMCG) sectors, which favor payload-efficient vehicles, as well as increasing rural transportation needs linked to agricultural development. The ongoing scrappage policy and replacement demand also provide a boost here.



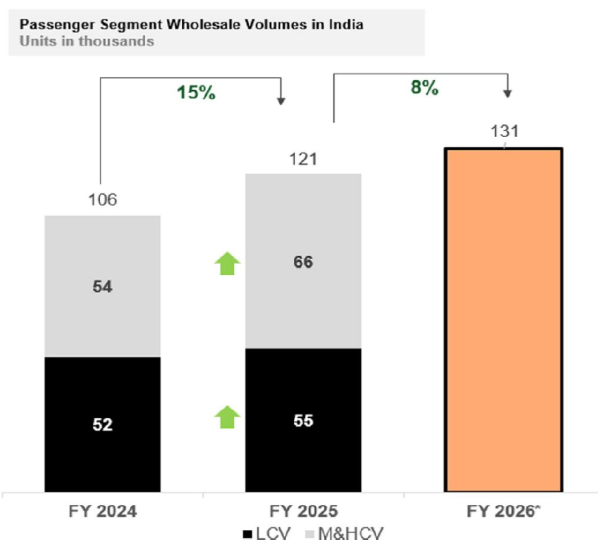
· Light Commercial Vehicles (LCV) and Small Commercial Vehicles (SCV): While SCVs are predicted to remain stagnant, LCVs are poised for moderate growth of about 4 percent in FY26. This growth is largely driven by expansion in e-commerce operations, especially across tier 2 and tier 3 cities. Moreover, electric three-wheelers are gaining traction in the 'less than 2-ton GVW' segment as environmentally friendly alternatives to internal combustion engine (ICE) vehicles, while also offering a lower total cost of ownership (TCO).

· Passenger Vehicles (Buses): The bus segment continues its upward trajectory, with sales projected to rise 8 percent in FY26, marking a third successive year of growth. Government initiatives, notably the PM E-Drive scheme, which has allocated nearly 44 billion for the purchase of 14,028 electric buses in FY26, are accelerating the shift to electric mobility. This shift is reinforced by environmental benefits, payment security improvements, policy revisions within State Transport Undertakings (STUs), and the Net Zero ambitions pushing out older fleets.

Driving Forces Behind Industry Evolution

Several overarching trends and forces are shaping the future of Indian CV market.

1. Dynamic Policy Environment



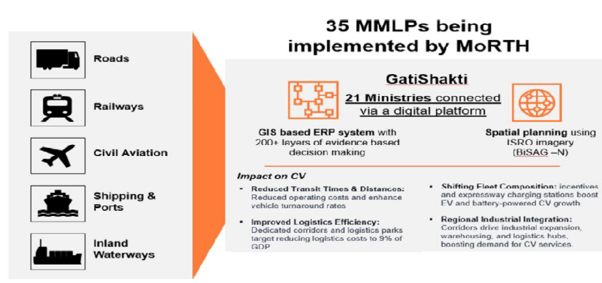
Regulatory frameworks are increasingly aligning the industry toward cleaner, safer, and more sustainable products. The introduction of Phase III Corporate Average Fuel Efficiency (CAFE) norms targeting fuel efficiency by 2027, and the anticipated adoption of Euro 7 emission standards, reflect this commitment. The Securities and Exchange Board of India (SEBI) is mandating greenhouse gas tracking as part of phased Business Responsibility & Sustainability Reporting (BRSR), reinforcing environmental accountability. In parallel, Extended Producer Responsibility (EPR) policies are incentivizing scrappage with a focus on recycling. New safety mandates are set to standardize advanced features such as Forward Collision Warning Systems (FCWS), Electronic Stability Control (ESC), Autonomous Emergency Braking Systems (AEBS), and cybersecurity protocols. Additionally, lawmakers are proposing limits on truck driver hours to 8 hours per day for safety, complemented by plans to develop over 1,000 rest stations nationwide.

2. Changing Customer Preferences

Indian commercial vehicle customers are pivoting towards modern solutions that prioritize efficiency, connectivity, and safety. Predictive maintenance is gaining widespread adoption, as demonstrated by Force Motors' iPulse platform, which leverages AI to reduce breakdowns and optimize fuel consumption. The rapid expansion of e-commerce continues to reshape fleet requirements: it accounted for 7–10 percent of Tata Motors' CV sales and 25 percent of Ashok Leyland's in metro areas as of FY21. Simultaneously, leasing and direct-to-customer (D2C) models are growing rapidly; nearly half of commercial EV fleet operators now favor leasing options available through players like Mahindra Electric and financial service providers like Revfin. Digital platforms are also revolutionizing after-sales service, with OEMs investing in command centers capable of remote diagnostics and 24/7 support, enhancing ownership experiences.

3. Disruptive Technological Innovations

Innovation is no longer optional but essential. Manufacturers are embracing AI, cognitive technologies, telematics, and connected vehicle platforms to transform mobility. Ashok Leyland's connected commercial vehicles generate over three million data points per hour, enabling real-time fleet insights. Tata Motors is piloting AI-driven fleet analytics while launching India's first hydrogen internal combustion engine truck, signifying a path toward diversified powertrains. Startups like Taabi Mobility employ AI for route and idling optimization, helping fleets cut fuel costs substantially. The emergence of software-defined vehicles (SDVs) and real-time diagnostics promises further leaps in operational efficiency.



4. Road and Infrastructure Development

Government infrastructure programs are transforming logistics in India. Dedicated Freight Corridors (DFCs), Multi-Modal Logistics Parks (MMLPs), and the Gati Shakti initiative are all geared toward improving supply chain efficiency. These corridors aim to more than double rail freight capacity from 1,617 million tonnes to nearly 3,300 million tonnes by 2030, shifting modal freight dynamics substantially. These changes increase demand for last-mile delivery vehicles – LCVs, MCVs, and SCVs – while potentially moderating the growth of the HCV segment. The government's strategic vision includes establishing 11 industrial corridors and 2 defense corridors, alongside creating clusters in pharma, medical, fishing, and harbor sectors, all of which will enhance cargo handling capabilities and associated commercial vehicle demand.

Vehicle Segments	Traditional ICE	CNG	LNG	H2 ICE	H2 Fuel Cells	Battery Electric Vehicles
Scale of infrastructure readiness	High	Medium	Low	Low	Low	Low
SCV	✓	✓				✓
LCV	✓	✓				
I & MCV	✓	✓				
Buses	✓	✓			✓	✓
HCV	✓		✓	✓	✓	

Scale of infrastructure readiness: High, Medium, Low

5. Emergence of Alternate Powertrains

The future will be powered by a mix of propulsion technologies tailored to use cases, contributing to better total cost of ownership (TCO) and customer satisfaction. Electric vehicles already lead in urban passenger transport and short-haul logistics, while hydrogen and hybrid models are gaining ground in long-haul and heavy-duty segments. This diversification ensures that manufacturers can meet evolving regulatory requirements and market preferences with an array of solutions.

In Conclusion : India's commercial vehicle industry is entering a transformative decade. Backed by strong macroeconomic growth, proactive policies, evolving customer needs, and breakthrough technologies, the sector is poised for sustained expansion. Manufacturers who navigate the evolving regulatory environment, embrace innovation, and understand shifting customer expectations stand to lead the market forward. Meanwhile, infrastructure development and alternative powertrains will reshape the logistics landscape, unlocking opportunities across every commercial vehicle segment.

The road ahead for India's commercial vehicle industry is promising – driven by progress, powered by innovation, and steered by sustainability.

Source: www.motorindiaonline.in

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Indian Institute of Materials Management

MISSION

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

OBJECTIVE

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

CODE OF ETHICS

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

HOW GEM IS REVOLUTIONIZING PUBLIC PROCUREMENT IN INDIA THROUGH DIGITAL TRANSFORMATION

ELETS NEWS NETWORK

At the **Digi Governance Knowledge Exchange Summit** organised by **Elets Technomedia** and **IT Department, Government of Kerala**, **AV Muralidharan**, Chief Buyer Officer (States), **Government e Marketplace (GeM)** shared his insights.

In the rapidly evolving landscape of governance and digital innovation, the Government e-Marketplace (GeM) has emerged as a groundbreaking initiative in India's public procurement sector. Launched on August 9, 2016, GeM was envisioned as a unified, transparent, and efficient online marketplace for goods and services used by government entities. With procurement values surpassing 14 lakh crore to date, it stands tall as one of the most successful digital transformations undertaken in the past decade.

GeM was designed to overhaul the traditional public procurement systems, which were often plagued by inefficiencies, delays, lack of standardization, and limited transparency. By digitizing the entire procurement process, GeM has not only streamlined government buying but also democratized access, enabling entrepreneurs, startups, and micro and small enterprises (MSEs) to become suppliers to the government.

The Birth of a Digital Procurement Revolution
The launch of GeM was backed by the vision of creating a single national marketplace. Prior to GeM, public procurement faced several challenges including inconsistent tendering processes, lack of standard documentation, and the absence of a centralized platform. For example, different government organizations maintained separate websites, making it difficult for vendors to track and respond to tenders. GeM solved this fragmentation by offering an end-to-end digital solution for procurement, ensuring uniformity, transparency, and ease of use.

Transparency, Efficiency, Inclusivity: The Core Pillars of GeM

GeM operates on three foundational pillars: transparency, efficiency, and inclusivity. The platform makes every procurement detail publicly accessible. From product categories and listed prices to active tenders and finalized contracts, every step in the buying process is visible and verifiable. This level of transparency was previously unattainable in conventional procurement models.

Efficiency is another cornerstone. Features like reverse auctions, demand aggregation, and automated workflows have significantly reduced procurement timelines and costs. Multiple studies estimate that using GeM results in approximately 10% cost savings for government buyers.

Inclusivity plays a vital role in GeM's mission. The platform has onboarded over 20 lakh sellers, including 10 lakh MSEs. This ecosystem includes startups, self-help groups, women entrepreneurs, and vendors from rural and remote regions. By simplifying registration and providing digital tools, GeM empowers even the smallest suppliers to compete for government contracts.

GeM's Impact on the Economy and Governance
GeM is not just a procurement platform; it's a catalyst for economic inclusion and reform. The scale of its operations is staggering. In the last financial year alone, procurement worth 5.43 lakh crore was conducted. For the current year, the platform aims to reach 7 lakh crore.

Government expenditure accounts for nearly 20% of India's GDP, a significant portion of which goes into procurement. GeM has made it possible for common citizens and small businesses to become part of this vast expenditure framework. This democratization of government spending ensures better value for money and accountable governance.

Advanced Features and Buyer-Seller Interactions
One major innovation in GeM is its transparent tendering and bidding system. Buyers must disclose reasons for rejecting technical bids, giving sellers opportunities to respond and rectify issues. This fosters a more inclusive and fair procurement environment.

Buyers benefit from tools like reverse auctions and demand aggregation that make procurement more competitive and cost-effective. To further enhance trust, GeM is commissioning studies, including a comprehensive vendor assessment and product quality evaluation by institutions like IIT Delhi. These measures are aimed at safeguarding quality standards and improving buyer satisfaction.

Promoting Government Policies and Legal Compliance
GeM actively supports government directives such as the Make in India initiative and reservations for MSEs and women-owned businesses. Vendors are required to declare local content percentages in their product listings, allowing buyers to prioritize domestic products. The platform also ensures land compliance through detailed vendor assessments, including checks on beneficial ownership.

Furthermore, the platform is integrating cooperative societies and local governance bodies such as rural panchayats, broadening its footprint and impact even further.

State-Level Adoption and the Road Ahead Currently, central government departments use GeM mandatorily, while states have the option to adopt it. States like Uttar Pradesh have shown remarkable progress by making GeM mandatory and standardizing procurement procedures. The success of the UP model is now being promoted to other states to push for uniform adoption.

GeM continues to look ahead with plans to include works contracts in its offerings, further expanding the horizons of government procurement. Strategic collaborations, such as with the Kerala government, indicate a growing commitment across states to embrace this digital marketplace.

Conclusion

GeM stands as a beacon of how digital technology can revolutionize public procurement. Its unwavering commitment to transparency, efficiency, and inclusivity has resulted in a more accountable and accessible system. By unlocking opportunities for small businesses and ensuring better value for the taxpayer, GeM is not just modernizing procurement but transforming the very way governments interact with citizens and the economy.

As the platform continues to scale and evolve, it holds the promise of setting global benchmarks in e-procurement. If you want to explore more about how GeM works and how you can be a part of this impactful ecosystem, visit the GeM portal and witness the future of public procurement in India.

Source: egov.eletsonline.com

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INTERTWINED FUTURES: HOW DIGITAL TRANSFORMATION, SUSTAINABILITY, AND RESILIENCE ARE SHAPING INDIA'S SUPPLY CHAIN LANDSCAPE

KOUSHIK' ROY, CHAIRMAN-IIMM- KOLKATA

India's supply chain ecosystem stands at a transformative crossroads. Once focused primarily on cost-efficiency and speed, the sector is now evolving into a more dynamic, conscious, and future-ready network. Three forces—**digital transformation, sustainability, and resilience**—are no longer operating in silos; instead, they are becoming deeply interconnected drivers of competitiveness and survival.

Digital Transformation: From Visibility to Intelligence

India's adoption of digital technologies like **AI, blockchain, IoT, and cloud computing** has accelerated post-pandemic. These tools provide real-time visibility across the supply chain, enable predictive analytics, and streamline operations. Platforms that integrate procurement, inventory, and logistics are turning supply chains from reactive systems into **intelligent, data-driven ecosystems**.

Digitalization has also made collaboration seamless across suppliers, manufacturers, and distributors—often across borders. For Indian companies competing on a global stage, **this digital backbone is now a baseline expectation**.

Sustainability as a Core Supply Chain Mandate : Sustainability in India's supply chains is no longer a compliance checkbox—it's a business imperative. With growing pressure from investors, consumers, and regulators, organizations are rethinking everything from **materials sourcing and packaging to energy-efficient transportation**.

Initiatives like green warehousing, reverse logistics, and circular economy models are gaining ground. Digitization, once again, plays a key role—by **tracking emissions, measuring waste, and managing ESG disclosures**, companies can monitor their impact more transparently.

Resilience in the Age of Disruption : Whether it's geopolitical tensions, climate events, or global health crises, the supply chain shocks of recent years have pushed Indian businesses to build stronger buffers. Resilience now means **more than redundancy**—it involves agility, local sourcing strategies, smart forecasting, and a culture of continuous learning.

By leveraging digital twins and scenario planning, organizations can stress-test their networks and respond quickly to disruptions. And by embedding **sustainability goals within their risk frameworks**, they ensure that resilience isn't built at the environment's expense.

The Way Forward: Integration, Not Trade-Offs : Traditionally, efficiency came at the cost of resilience; speed came at the cost of sustainability. But with intelligent technology at the helm, Indian supply chains no longer have to choose. They can be agile, ethical, and efficient all at once. Companies that weave these priorities together are more likely to thrive—not just in today's volatile environment, but in the future India is actively shaping.

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UNLOCKING INNOVATION WITH INDIA'S PROCUREMENT REFORMS

Context

- Procurement policies and frameworks in India, often designed with transparency and cost-efficiency, frequently killing innovation by prioritising procedural compliance over scientific needs.

About Public Procurement System

- Public procurement is the process by which governments purchase goods and services, for governance and economic development.
- It represents around **12% of GDP in OECD countries** and **up to 30% in some developing countries.**
- In India, it accounts for **nearly 20–22% of GDP,** making it a powerful lever for **policy implementation, industrial growth, and innovation.**

Procurement's Evolutionary Arc

- Procurement has evolved from mere control to a tool of creativity and strategy, **from ancient Egyptian records to AI-driven supply chains.**
  - **Industrial Revolution**: Cost-centric approach.
  - **World Wars**: Strategic role in securing scarce resources.
  - **Post-1945**: Procurement became central to innovation in semiconductors, space, and renewable energy.
  - **Modern Time: 'Cognitive procurement'** employs AI for predictive sourcing, scenario simulation, and compliance automation.

India's Procurement Landscape

- Historically, India's procurement system was governed by the **General Financial Rules (GFR), 2017** and managed through **decentralized, paper-based processes.**
  - These rules introduced flexibility in procurement, allowing departments to experiment with new vendors and solutions.
- They often lacked agility, excluded small players, and were vulnerable to inefficiencies and opacity, while these frameworks emphasized cost-efficiency and compliance.

Reforming the Procurement Framework

- **Reforms in General Financial Rules (GFR):** These mark a shift toward **enabling research and development (R&D)** by granting exemptions from the Government e-Marketplace (GeM) portal and raising financial thresholds for R&D procurement.
- **Government e-Marketplace (GeM):** It is a **dynamic, paperless, and cashless online platform** that enables government departments to procure goods and services efficiently.
  - It offers real-time price comparison and reverse auctions; direct access to over 50,000 government buyers; and minimal human interface to reduce corruption;
- **Public Procurement Policy for MSEs:** The government mandates that 25% of annual procurement by central ministries and PSUs be sourced from MSEs, while these frameworks emphasize cost-efficiency and compliance. It includes:
  - A 4% sub-target for SC/ST entrepreneurs;
  - Special provisions for women-owned enterprises;
  - Exemptions from earnest money and tender fees;
- **Startup India Procurement Reforms:**
  - Exempted DPIIT-recognized startups from prior experience and turnover requirements;
  - Created the **GeM Startup Runway**, allowing startups to showcase unique products and services;
  - Enabled registration on the **Central Public Procurement Portal (CPPP)** with relaxed norms;
- **Vocal for Local:** Creation of 210 ODOP product categories for listing unique products from each district in India.

Recent Steps Taken By Government

- **Bypassing GeM for specialised equipment**, reducing delays in scientific procurement.
- **Raising direct purchase limits** from **1 lakh to 2 lakh,**

acknowledging bespoke research needs.

- **Delegating tender approvals up to 200 crore** to institutional heads, eliminating bureaucratic lag.
- These measures align with the **concept of 'catalytic procurement',** where flexibility enables public institutions to act as early adopters of advanced technologies.

Impacts of Reforms in India's Public Procurement System

- **Transparency and Accountability:** Platforms like GeM and e-Procurement portals have digitized the entire process, reducing human discretion and corruption.
  - A well-designed procurement law can yield significant fiscal and governance benefits, potentially saving up to 1.2% of GDP.
- **Catalyzing Innovation Through Strategic Procurement:** Ministries are now encouraged to issue challenge-based tenders, inviting innovative solutions to complex issues like water purification, waste management, and digital governance.
- **Sectoral Impact:** In sectors like **Agriculture and Infrastructure**, procurement reforms are making systems more farmer-centric and tech-driven.
  - Initiatives such as **farm-gate procurement**, **digitized monitoring, and timely payments** are improving outcomes for producers while modernizing supply chains.
  - The **National Infrastructure Pipeline** and **asset monetization strategies** are being supported by streamlined procurement processes that attract private investment and global expertise.
- **Selfhelp Groups (SHGs): GeM** is collaborating with the **Self-employed Women's Association (SEWA)** to train, assist and enable 21 lakh+ women-led micro and small enterprises, women entrepreneurs and **selfhelp groups (SHGs).**

Limitations of India's Public Procurement System Reforms

- **Overemphasis on Lowest Cost:** The traditional focus on L1 (lowest bidder) continues to dominate procurement decisions.
  - It often **sidelines quality, innovation, and lifecycle value** — especially problematic when sourcing advanced technologies or services that require long-term performance.
- **Low Direct Purchase limit:** The 2 lakh direct purchase limit may still be **inadequate for high-cost fields** like biotechnology and quantum computing.
- **Overemphasis On Global Tenders:** It may sideline domestic suppliers unless local R&D ecosystems are strengthened.
- **Limited Support for Innovation:** Many innovative firms still struggle with procedural hurdles, lack of awareness, and limited capacity to navigate complex tender documentation.
  - It remains risk-averse, favoring established vendors over disruptive solutions.
- **Fragmented Implementation Across States:** Procurement reforms are **unevenly adopted across states and local bodies**.
  - Smaller municipalities and rural departments often **lack the digital infrastructure, training, or incentives** to fully embrace e-procurement platforms, leading to inconsistent outcomes.

Global Models of Innovation-Oriented Procurement

- **Germany's High-Tech Strategy**: Embeds innovation into procurement through dedicated advisory bodies like KOINNO.
- **US Small Business Innovation Research (SBIR)**: Reserves a share of R&D funds for startups, using phased procurement to de-risk early-stage technologies.
  - The **US model of performance-based private management** illustrates how hybrid systems can balance public oversight with corporate agility.
- **South Korea's Pre-Commercial Procurement**: Pays premium prices for prototypes aligned with ambitious national goals.

Way Forward: Toward Transformative Procurement in India

- For India to unlock procurement's full potential, **four systemic shifts are essential:**
  - **Outcome-Weighted Tenders** – evaluating bids on qualitative factors like R&D investment, not just cost.
  - **Sandbox Exemptions** – allowing premier institutes partial freedom from GFR, tied to innovation targets.
  - **AI-Augmented Sourcing** – deploying cognitive procurement assistants for faster, smarter decision-making.
  - **Co-Procurement Alliances** – pooling demand across labs for high-cost equipment.
- India's **Council of Scientific and Industrial Research (CSIR)** could adopt a similar framework for strategic labs, provided strong accountability structures are in place.

Source: TH

WHY SUPPLY CHAIN RESILIENCE IS THE NEW GLOBAL CURRENCY

GLORIA BAIDOO, SUPPLY CHAIN SPECIALIST & GUEST BLOGGER

Resilience is now as valuable as currency in today's supply chain, in a world shaken by pandemics, geopolitical tensions, climate shocks, no business or nation can allow fragile supply chains.

The once-invisible schemes that move food, fuel, medicine, and technology across borders have proven to be as critical as financial reserves. When blockages cripple trade, the cost is not just economics, it's humanitarian. In today's global economy where there is uncertainty, the benchmark of competitiveness and security is the ability to adapt quickly, absorb shocks and recover sustainably.

This article argues that supply chain resilience is the new global currency as an asset that emphasizes economic stability, geopolitical leverage, and ethical responsibility.

1. Economic Continuity: Resilience as a Competitive Asset

Global supply chains were once engineered for cost-efficiency, with just-in-time models reducing inventory and maximizing profits. However, COVID-19, the Suez Canal blockage, and the Russia-Ukraine war discovered the fragility of such systems. Companies with diversified suppliers and regional manufacturing capacity weathered the storms better than companies that relied on single-source production. In the case of Toyota's historical investment in supply chain risk management permitted it to rebound more faster than competitors throughout pandemic-era shortages.

Resilient supply chains are now strategic advantage and can no longer be viewed as an operational perk. Businesses with resilient supply chains witnessed 30% faster recovery rates from disturbances compared to peers. As indicated by BlackRock, investors are increasingly favoring companies with strong risk management frameworks, observing them as safer long-term bets.

In the post-crisis global economy of today, resilience is tantamount with speed-to-market, customer faithfulness, and reputational resilience. It also indicates a company or country's ability to continue productivity and exports during challenging times. Resilient supply chains, hence, are as intangible as intellectual property. They guarantee continuity, ensure market access, and guard long-term competitiveness which is an indication of economic power in the 21st century.

2. National Security: Resilience as a Geopolitical Shield

Supply chains have evolved to become geopolitical instruments and can no longer be seen as business instruments. Supply chains' recent conflict has shown us how dependent economic stability and national security are on the capability to restrain and shield strategic supply chains. The Russia-Ukraine war upended global exports of wheat, fertilizers, and energy, unsettled markets, and threatened food security thousands of miles from the battleground. Likewise, heightened tensions between the United States and China have led to a reshoring of strategic industries as drugs, semiconductors, and rare earth elements to reduce strategic vulnerabilities.

Governments gradually identify that resilience in critical supply chains such as energy, defense, and health infrastructure is critical to sovereignty. Industrial policies like the U.S. CHIPS and Science Act, the EU's Critical Raw Materials Act, and Japan's economic security strategy all reflect a common priority: national preparedness through localized, secured, and diversified supply networks.

A resilient supply chain is a protection against coercion, blackmail, and supply shocks. Nations that can sustain the flow of vital goods during crises will employ greater diplomatic and economic impact, thereby shielding their citizens. The pillar of geopolitical strategy in this new world is resilience.

3. Moral and Sustainable Systems: Resilience with Justice

Supply chain resilience must also address social fairness and environmental sustainability as it cannot be achieved through logistics alone. In developing countries, fragile supply chains often depend on unsafe working conditions, exploitative labor, and unsustainable natural resource extraction. As witnessed during COVID-19, these vulnerabilities became serious when factory closures and wage theft left millions of workers in the garment sector in the Global South with no income or legal recourse. LeBaron et al research Indicated that workers across all countries (Ethiopia, Honduras, India, Myanmar) included in their study have experienced a decline in income. On average, monthly earnings for current workers dropped from a PPP-adjusted US$627.45 before the pandemic to US$560.36—an overall decrease of 11%. Workers attributed this loss of income to various factors, including reduced opportunities for overtime, being underpaid for overtime work, unfair wage deductions, unpaid labor, delayed wage payments, denial of severance pay for those who were terminated, and withheld wages for workers who were suspended.

Unsustainable practices also expose companies to regulatory and reputational hazards. For example, strengthening scrutiny of deforestation in cocoa, palm oil, and mining sectors has led to stricter laws in consumer markets. The European Union's Corporate Sustainability Due Diligence Directive and Germany's Supply Chain Act require companies to ensure human rights and environmental protections across their entire supply chain footprint. Failure to meet these standards can now result in penalties, trade restrictions, or consumer backlash.

Conclusion

Companies and countries that prioritize fair labor, climate-smart sourcing, and local community engagement are less likely to face supply shocks rooted in social unrest or environmental collapse. Resilience must therefore be broad and ethical. Creating justice into supply chains is a strategic imperative for long-term resilience and is no longer just moral. Supply chain resilience is therefore the currency of credibility, continuity, and international leadership in this new era.

Source: www.allthingssupplychain.com

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LOGISTICS & SUPPLY CHAIN INFRASTRUCTURE SECTOR INITIATIVES

Background : Logistics & Supply Chain Infrastructure Sector Initiatives

Four major engines viz. Agriculture, MSME, Investment and Exports, as indicated in the Budget 2025 are planned to further fuel India's growth story, re-affirming India's position as the fastest growing major economy in the world. Supply Chain & Logistics is fundamental to all aforesaid the four engines of development. However, the high cost of logistics, led by legacy of poor infrastructure and efficiency has been on the radar of the policy makers for the past few years. Higher cost in this sector is the biggest hurdle in India's aspirations to be a hub for global manufacturing as indicated clearly in the Budget.

The Budget signifies decisive reforms, focusing on quantum correction in some long-standing issues, while revitalizing the core sectors like agriculture, manufacturing and logistics. Building upon transformational initiatives like the PM Gati Shakti, the National Logistics Policy (NLP), Logistics Efficiency Enhancement Programme (LEEP), development of Dedicated Freight Corridors (DFCs), Bharatmala Pariyojana, Sagarmala programme, formulation of the National Rail Plan (NRP), Multi-Modal Logistics Parks, National Infrastructure Pipeline and Jal Marg Vikas Project, the Government is introducing cohesive policies that are aimed at reducing logistics costs. This strategic focus demonstrates the government's stronger commitment to tackling long-standing challenges, such as fragmented networks, underdeveloped infrastructure, and the underuse of technology. Aligning logistics reforms with economic planning makes Budget 2025 a crucial turning point in India's effort to boost global competitiveness and drive sustainable growth.

Focus on Logistics & Supply Chain Sector Through Budgetary & Policy Level Reforms During 2022 - 2025

2022-23: Laying the Groundwork

National Logistics Policy (NLP): The National Logistics Policy (NLP) was launched on September 17, 2022, aiming to create a comprehensive framework for integrating transport networks, warehousing and regulatory reforms. The policy focuses on enhancing efficiency of the logistics sector by addressing key areas such as process re-engineering, digitization, and multimodal transport.

Infrastructure Boost: The PM Gati Shakti Master Plan catalyzed significant investments in national highways, ports, and rail corridors during this period. This initiative aims to streamline logistics operations across various modes of transport by enhancing multimodal connectivity. The government allocated substantial funds to improve existing infrastructure and develop new projects, ensuring that bottlenecks in transportation are minimized. By focusing on integrated infrastructure development, the PM Gati Shakti Plan seeks to enhance first and last-mile connectivity, ultimately leading to reduced transit times and lower logistics costs.

2023-24: Expanding Connectivity

Freight Corridors: The Dedicated Freight Corridor (DFC) project has seen a substantial increase in allocations, with funding raised by 75% to enhance rail transport efficiency. This extensive network spans over 2,800 kilometers, designed to facilitate swift movement of goods across the country. As of early 2025, the Eastern Dedicated Freight Corridor (EDFC) is fully operational, while the Western Dedicated Freight Corridor (WDFC) is nearing completion at 93.2%. These high-speed corridors are expected to significantly reduce transit times, cutting down travel from coal fields in Eastern India to power stations in Northern India from 35 hours to just 20 hours. This transformation not only boosts rail freight capacity but also lowers logistics costs, aligning with the government's goal of reducing overall logistics expenses to below 10% of GDP by 2030.

Digital Public Infrastructure (DPI): The government has prioritized the development of Digital Public Infrastructure (DPI) to streamline logistics processes across various sectors, including e-commerce and governance. By digitizing logistics operations, the DPI aims to enhance efficiency and transparency within supply chains. This initiative facilitates better data sharing among stakeholders, reduces paperwork, and accelerates decision making processes.

Rural Connectivity: Under the PM Gram Sadak Yojana Phase IV, the government is focusing on improving last-mile connectivity to remote areas, which is crucial for enhancing rural logistics. This initiative aims to construct and upgrade rural roads, thereby facilitating better access for farmers and small businesses to markets and supply chains. Improved rural infrastructure not only supports agricultural supply chains but also enhances the distribution of goods in underserved regions. By bridging connectivity gaps, this program plays a vital role in ensuring that rural producers can efficiently transport their products to urban markets, ultimately contributing to economic growth and reducing regional disparities.

2024-25: Accelerating Progress

Record Capital Expenditure: The 2024-25 Budget has made a significant commitment for logistics infrastructure enhancing the country's transportation network. This funding will be directed towards construction and upgrading of national highways, ports and multimodal logistics parks (MMLPs), which are crucial for improving connectivity and reducing transit times. By investing in these key areas, the Government aims to streamline logistics operations, lower costs and ultimately boost economic growth through more efficient supply chain management.

Green Initiatives: The Budget places a strong emphasis on sustainability within the logistics sector by promoting the adoption of electric vehicles (EVs) and green hydrogen technologies. These initiatives are aligned with India's commitment to achieving net-zero emissions and reflect a growing recognition of the need for environmentally friendly transportation solutions. By incentivizing the use of EVs and exploring green hydrogen as a viable fuel alternative, the government aims to reduce the carbon footprint of logistics operations while fostering innovation in clean technology.

Industrial Parks: The development of 'plug-and-play' industrial parks will attract private investment and stimulate economic activity in the logistics sector. These parks are designed to provide businesses with ready-to use infrastructure, including utilities and connectivity, thereby reducing setup time and costs for companies looking to establish operations. By creating an enabling environment for logistics firms and manufacturers, the Government seeks to enhance productivity, encourage foreign direct investment (FDI), and promote regional development across various states.

Ongoing Reforms that are Shaping the Logistics Sector

Multi-Modal Logistics Advancements

- **Railways**: The completion of DFCs is projected to increase rail freight's share to 45% by 2030, doubling its current capacity.
- **Roadways**: 30,600 km of highways expansion and e-tolling optimize road freight delay.
- **Waterways**: National waterways freight has increased by 44% due to the Sagarmala Programme and Jal Marg Vikas Project.

Airways: Air cargo sees 15% traffic growth, supported by airport infrastructure upgrades

Technology Driving Logistics Efficiency

- Implementation of **E-Way Bill System** to simplify GST compliance, ensuring swift transit times and increasing warehousing efficiency.
- The introduction of the **Unified Logistics Interface Platform (ULIP)** has enabled the integration of data from 30 systems across multiple ministries, streamlining coordination and reducing paperwork. It enhances cargo tracking, optimizes routes, and improves supply chain transparency through over 100 APIs.
- The adoption of advanced technologies, including **IoT, Blockchain, and RFID** technologies, for supply chain transparency and operational efficiencies.

Green Supply Chain Initiatives

- The **National Electric Mobility Mission Plan (NEMMP)** and **FAME** (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) schemes promote EV adoption through buyer subsidies, charging infrastructure investments, and policies to boost EV manufacturing and usage.
- India launched its first indigenous hydrogen fuel cell ferry under the **Harit Nauka** initiative at Cochin Shipyard. This aligns with the **Maritime Amit Kaal Vision 2047**, which targets reducing greenhouse gas emissions by transitioning to green fuels in inland waterways.

Source: www.rsm.global

BRANCH NEWS

BANGALORE BRANCH

12th July 2025 – Get together meeting : The **IIMM Bangalore Branch** organized a cordial get-together on **Saturday, 12th July 2025**, at the **Koramangala Club, Bangalore**. The meeting witnessed active participation from several **Executive Committee (EC) members** and **Adviser Mr. C.L. Kapoor**, Past National President, IIMM.

Key discussions focused on upcoming **programs, seminars, educational initiatives**, and planning for the branch's landmark event—**SCALE 2025**.

The session was effectively coordinated by **Mr. B.G. Kapanipathi**, Honorary Secretary, IIMM Bangalore Branch. During the meeting, the committee formally decided to host the **Silver Jubilee Edition of SCALE 2025**, the branch's flagship event, on **Saturday, 6th September 2025**, at the **Capitol Hotel, Bangalore**.

18th July 2025 – Workshop : The Indian Institute of Materials Management (IIMM) – Bangalore Branch organized a one-day certification workshop on **"Developing Supply Strategy and Contract Management"** on **Friday, 18th July 2025**, at **Hotel Paraag**, adjacent to The Capitol Hotel, Raj Bhavan Road, Bangalore.

The sessions were conducted by **Mr. E. Ganesh Kumar** and **Mr. K.P. Rajendran**, senior faculty members of IIMM. The workshop was attended by **36 participants** from various sectors, who provided **excellent feedback** on the content and delivery of the sessions.

20th July 2025 – Induction Session: The induction session for the **33rd batch** of the **Advanced Certification Course in Supply Chain Management** was successfully conducted, with over **20 students** attending and enrolling in the program. The session was led by **Mr. Balasubramanian**, Senior Faculty at IIMM, who provided an overview of the course structure, objectives, and expectations.

23rd July 2025 – Monthly Lecture / Free webinar: Monthly Lecture Program / Free Webinar on "Navigating Tax Compliance in the Supply Chain"

The **Bangalore Branch of IIMM** organized its monthly lecture program and free webinar on **"Navigating Tax Compliance in the Supply Chain: Practical Insights on GST & Direct Taxes for SCM Leaders"** on **Wednesday, July 23, 2025**, via **MS Teams**.

The session was delivered by **CA Navjot Singh**, Partner at **TaxTru Business Advisors LLP**, specializing in Indirect Taxes and International Trade.

The webinar was attended by approximately **50 participants** and was well-received as an engaging and interactive session, offering valuable insights for supply chain professionals.

25th July 2025 – Seminar : One-Day Seminar on "Supply Chain – Procurement Management"

The **Indian Institute of Materials Management (IIMM) – Bangalore Branch**, in association with **TransAsia Bio-Medical Ltd.**, organized a **one-day seminar** on **"Supply Chain – Procurement Management"** on **July 25, 2025**, at **Hotel Paraag**, Bangalore.

The seminar featured insightful presentations by a distinguished panel of speakers:

- **Mr. M.R. Achyuth Rao**, General Manager, HCG
- **Mr. Srinivas V. Rao**, Joint Director – Materials Management
- **Mr. Jaiprakash S. Vastrad**, Consultant – Purchase, Mallige Hospital
- **Dr. Suma H.R.**, Administrator and Consultant Biochemist, Padmasree Laboratory
- **Dr. Leena Appicatla**, General Manager – Operations, Triesta Sciences (A unit of HCG)
- **Mr. Vijay Kumar**, Chief Commercial Officer, TransAsia Bio-Medical Ltd.

The sessions focused on key aspects of procurement management, with special emphasis on the latest updates and practical applications of **Incoterms** in healthcare supply chains.

The seminar attracted around **60 participants** from various hospitals and healthcare organizations. It was a **highly engaging and informative event**, receiving **excellent feedback** from all attendees.

22nd August 2025 : Seminar on SCM for Hospital Employees

Seminar on "Supply Chain – Procurement Management" Organized by IIMM Bangalore Branch in Association with TransAsia Bio-Medical Ltd.

The Indian Institute of Materials Management (IIMM), Bangalore Branch, successfully organized a one-day seminar on **"Supply Chain – Procurement Management"** on **August 22, 2025**, at **Hotel India Habita, New Delhi**, in collaboration with **TransAsia Bio-Medical Ltd.**

The session on **"SCM – Procurement"**, specially curated for hospital employees, was effectively handled by **Mr. Srinivas V. Rao**, who brought valuable insights and practical knowledge to the participants. The seminar witnessed an enthusiastic participation of around **60 delegates**, and the event received **excellent feedback**, reflecting the relevance and quality of the content delivered.

23d August 2025: Annual General Body Meeting : The Annual General Body Meeting (AGM) of the Bangalore Branch of the Indian Institute of Materials Management (IIMM) was held in the evening of 23rd August 2025 at Hotel Paraag, Bangalore.

Elected Executive Committee for 2025–2027

Post	Name	Email	Mobile No.
Branch Chairman	Mr. C.S. Karunakar	karunakarcs@gmail.com	9845629334
Branch Vice Chairman	Mr. Kapanipathi B.G.	kapanipathi.bg@gmail.com	9972060453
Hon. Secretary	Mr. M.C. Lokesh	mclokesh100@gmail.com	9945393704
Hon. Treasurer	Mr. Akash Kumar Gupta	akashforce@gmail.com	8095336285
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Executive Committee Member	Mr. D. Lakshmaiah	lakshmaiah3108@gmail.com	9916499979
Executive Committee Member	Dr. P.G. Yogindra	pgyogindra@gmail.com	9980542849
Co-opted E.C. Member	Mr. M.R. Achyutha Rao	mrachyutharao@gmail.com	9945516271
Co-opted E.C. Member	Mr. Sampath Raghavan R	smpthraghavan@gmail.com	9743990032

29th August 2025: 9th Edition of Professor Ravi Ravindran Annual Endowment Lecture Organized by IIMM Bangalore Branch

The Bangalore Branch of the Indian Institute of Materials Management (IIMM) successfully conducted the 9th Edition of the **Professor Ravi Ravindran Annual Endowment Lecture** on **Friday, 29th August 2025**, at **Hotel Paraag, Raj Bhavan Road, Bangalore**. The event commenced at **6:00 PM**, followed by dinner.

Lecture Topic:

"Enterprise AI Adoption in Supply Chain: Examples & Insights" Guest Speaker: Mr. Anantha Radhakrishnan

The keynote address by Mr. Anantha Radhakrishnan was insightful and well-received. He shared practical examples and valuable insights on the role of AI in modern supply chain management. The session saw enthusiastic participation, with **about 85 attendees**, who appreciated the depth and relevance of the lecture, giving excellent feedback.

Program Highlights:

- **Welcome Address:** Mr. Karunakar C.S., Chairman – IIMM Bangalore Branch
- **Opening Remarks:** Professor Sadagopan
- **Overview of the Endowment Lecture Journey:** Dr. P. Balasubramanian highlighted the significance and evolution of the lecture series over the past nine editions.
- **SCALE 2025 Presentation:** Dr. P. Sengottaiyan, Chairman – SCALE 2025, unveiled the **Silver Jubilee Edition of SCALE 2025**, scheduled for **6th September 2025**.
- **Vote of Thanks:** Mr. K.C. Harsha, Co-Chairman – Professor Ravi Ravindran Endowment Lecture Program
- **Master of Ceremony:** Mr. G. Balasubramanian

The event provided a valuable platform for knowledge sharing and networking among supply chain professionals, academicians, and industry leaders.

6th September 2025: **Event Report: SCALE 2025 – Silver Jubilee Edition:**

Date: 6th September 2025
Venue: Capitol Hotel, Raj Bhavan Road, Bangalore
Organized by: IIMM Bangalore Branch

The **SCALE 2025 – Silver Jubilee Edition**, organized by the **Indian Institute of Materials Management (IIMM), Bangalore Branch**, was held on **6th September 2025** at the **Capitol Hotel, Bangalore**. The event brought together over **225 delegates and invitees** from various sectors including **Manufacturing, Technology, Logistics, Infrastructure, Retail, Healthcare**, and **E-Commerce**.

Theme: "Resilient, Responsible, Collaborative AI & ML-Driven Supply Chain for Future Vision"

Inauguration and Welcome Address

- **Dr. P. Sengottaiyan**, Chairman, SCALE 2025, welcomed the gathering.

- **Mr. K.C. Harsha, Co-Chairman -SCALE 2025- About SCALE Journey**
- **Mr. Lalit Raj Meena**, National President, IIMM, delivered the presidential address.
- **Mr. P.M. Biddappa**, Senior Vice President, IIMM, presented insights on IIMM's growth.
- **Chief Guests and Keynote Speakers**
- **Dr. K. Sunil**, CMD, Hindustan Aeronautics Ltd (HAL), addressed the gathering and was felicitated with the **Best CEO of 2025 Award** for transforming HAL into a Maharatna company.
- **Dr. Prashanth P.K.M., IFS**, MD, Karnataka Soaps and Detergents Ltd., also received the **Best CEO of 2025 Award** for leading KSDL into the luxury segment.
- **Shri T. Raghumurthy**, Hon'ble MLA and Chairman, KSSIDC, received the **Best Industrial Innovative Excellence Man of the Year Award 2025**.
- **Mrs. Ushasri**, EVP & GM, Manhattan Associates, delivered the keynote on the event's core theme.

Technical Sessions:- Speakers addressed a wide range of topics:

- **AI in Supply Chain Management** – Dr. K.N. Subramanya (RVCE)
- **Price Risk Management in Metals Supply Chain** – Ms. Rashmi Nilhalani (MCX)
- **AI in Healthcare** – Dr. M.C. Uthappa (Gleneagles)
- **AI, IoT & Analytics in Procurement and Logistics** – Ms. Suchita Bansal (Maersk)
- **AI-led Supply Chain Transformation** – Mr. Vijay Kumar (Transasia Bio-Medicals)
- **AI in Compliance and Customs (BIS Regime)** – CA Navjot Singh (TaxTru Advisors)

Power Panel Session

Theme: Resilient, Responsive, Collaborative AI & ML-Driven Supply Chain

Moderator: Dr. P. Balasubramanian (Aqua MAP, IIT-Madras)

Panellists included:

- Mr. S. Jayakrishnan (CEO, HAL)
- Dr. Aditya Gupta (COO, SCMC – IIM Bangalore)
- Mr. R. Sampath Raghavan (Raymond Lifestyle)
- Dr. Leena Appicatlaa (HCG Triesta Sciences)

The session received excellent feedback from attendees.

Awards and Recognition

- **Lifetime Achievement Awards**:
  - o **Shri K.C. Harsha** – Co-Chairman, SCALE 2025
  - o **Mr. P.M. Biddappa** – Sr. VP, IIMM
- **Lifetime Service Award**:
  - o **Dr. P. Balasubramanian** – Advisor, IIMM
- **Special Recognition**:
  - o **Mr. Lalit Raj Meena** for contributions to education and branch development
- **Industry Awards**:
  - o **Zebra Technologies** – Excellence in Technology & Innovation
  - o **Leonsmith Technologies Ltd.** – Best MSME Exporter 2025
  - o **AIP Products and Solutions Pvt. Ltd.** – Top Performer in MSME Packaging
  - o **Mr. Paul George** – Excellence in Hosting
  - o **Dr. Goutam Sengupta** – Contribution to education and PMI
  - o **Souvenir Release**

The **SCALE 2025 Souvenir** was released by the National President and dignitaries, led by Editor **Mr. Akash Kumar Gupta**

Sponsors

- **Event Sponsor**: Aeronautical Development Agency
- **Gold**: Hindustan Aeronautics Limited
- **Silver**: Karnataka State Small Industries Development Corporation
- **SCALE Sponsor**: Manhattan Associates
- **Bronze**: Zebra Technologies
- **Lunch Sponsor**: Karnataka Soaps and Detergents Limited
- Other sponsors included: AIP Products, Leonsmith, Transasia, MCX, Crown Workspace, BEL.

Conclusion : The event concluded with a **Vote of Thanks** by **Mr. C.S. Karunakar**, Chairman, IIMM Bangalore, and **Mr. B.G. Kapanipathi**, Vice Chairman. The SCALE 2025 Silver Jubilee Edition was a resounding success, fostering collaboration and innovation in the evolving landscape of AI and ML-driven supply chains.

KOLKATA BRANCH

64TH ANNUAL GENERAL MEETING OF IIMM KOLKAA BRANCH

The 64th Annual General Meeting a held on 22.08.2025 at the famed Phoenix Hall of Saturday Club Ltd on 7, Wood Street, Kolkata- 700 016

Before taking up the Agenda items, the Branch Chairman, Mr. Kaushik Roy obtained confirmation from the Administrative Manager, IIMM Kolkata, that the necessary quorum exists.

Mr. Kaushik Roy welcomed the august gathering of 115 members to the 64th AGM of the Kolkata Branch.

The Branch Chairman then called for adoption of the Agenda. It was proposed by Mr. Amal Chakraborty and seconded by Mr. D N Chakraborty.

Next, the Chairman called for approval of the minutes of the 63rd AGM held on 31st August 2024. It was proposed by Mr. Prasun Ganguly and seconded by Mr A K Dey.

The Branch Chairman's Annual Report was proposed by Mr. Archan Roy and seconded by Mr. P K Ghosh.

Branch Chairman Mr. Kaushik Roy mentioned that the Annual Accounts were sent over email a month ago to all members. He sought any questions or queries about the same from those present. Members present did not have any questions. It was proposed by Mr. Debasish Mallick and seconded by Mr. P. Ganguly. Thus, the key agenda: The Income and Expenditure Statement of the Kolkata Branch and Balance Sheet for the year ending 31. 03. 2025 was approved by the General Membership of the Institute.

The Branch Chairman then invited the Election Officer, Mr. P P Sengupta, to announce the New Committee for 2025-27

Mr. Sengupta briefly intimated the gathering of his long association with IIMM and felt honored to be appointed as the Election Officer.

Under circumstances, all the 13 candidates got elected uncontested. Accordingly the Election officer announced the name of incumbents for the position of the Officer Bearer, EC Members and NC Members for the year 2025-2027

A. OFFICE BEARERS FOR THE YEAR 2025-27

The following office bearers have been elected uncontested:-

1.	**Chairman**	**Mr. Animesh Chattopadhyay**
2.	**Hony. Secretary**	**Mr. Prasun Ganguly**
3.	**Hony. Treasurer**	**Mr. Joydip Basak**

B. EXECUTIVE COMMITTEE MEMBERS FOR THE YEAR 2025-27

Following 5 numbers of Executive Committee Members have been elected as under:-

1. **Mr. Ravi Kant Maheshwari**
2. **Mr. Partha Sarathi Bose**
3. **Mr. Proloy Chakraborty**
4. **Mr. Ushnish Basu**
5. **Mr. Jayanta Biswas**

C. NATIONAL COUNCIL MEMBERS FOR THE YEAR 2025-27

Following 4 candidates have been elected for National Councillors for the year 2025-27:-

1. **Mr. Debasis Mallick**
2. **Mr. Sajal Das**
3. **Mr. Amal Chakraborty**
4. **Mr. Rajib Chandra Kumar**

Outgoing Chairman requested new Chairman Mr. Animesh Chattopattopadhyay to come on the Dias and say something:

The New Chairman Mr. Animesh Chattopadhyay and the outgoing chairman Mr. Kaushik Roy were felicitated by the staff members.

Mr. Animesh Chattopadhyay briefly addressed the house. He expressed concern on certain incidents that occurred during the last couple of years which has led to a bad name to the institute. He indicated if anyone has problems must contact first at the branch level to address the same.

Two branch awards were given out. Shri B G Sengupta was awarded the Lifetime Achievement Award. The Octogenarian was recognized for his consistent exemplary contribution to the Institute and fraternity over the years.

"Late S.C. Bhattacharjee Memorial Award" for Most Active Member of the Branch 2024 was awarded to **Mr. Partha Sarathi Bose**

The meeting ended with vote of thanks to the Chair.

HYDERABAD BRANCH

Mrs S Suvarna, Branch Chair-Person and Mr P Surender Kumar, EC Member felicitated Mr M Kamalakar, Senior Member, Past Chairman and IIMM Faculty at his residence on the eve of "Teachers Day- 5.9.2025".

Three Member Team ((Mrs S Suvarna, Branch Chair-Person, Mr P Mahender Kumar, Past VP (South) and Mr Chandrashekhar Deshpande, NC)) from Hyderabad attended "Scale Programme" on 6th September 2025 at Bengaluru. Met the Team of Scale and IIMM Bengaluru Branch, NEC Team and also had the opportunity to meet the Key Note Speaker, Dr DK Sunil, CMD of HAL The Scale programme was organized very well by the Scale Chairman and Team. Our appreciation to the Bengaluru Team.

CHATRAPATI SAMBHAJINAGAR

Indian Institute of Materials Management, Chatrapati Sambhajinagar (CSN) Branch conducted the "2nd Procurement & Supply Chain Conference" on 12th September 2025 at Marathwada Auto Cluster, CSN.

Mr. Ramchandra Bhogale ,Chairman of AITG (Applied Innovation & Technology Group) was Chief Guest for the event ,guided the professionals to upgrade faster and customer oriented SCM to remain competitive in the global market. Mr.Sushant Patare Chairman of CSN branch introduced the conference chief guest.
Ms. Preety Raj, Executive Vice President & CHRO at Endurance Technologies Ltd. delivered the first topic of the event "Breaking the barriers – Women's in industries and SCM" elaborates the demanding woman's role in SCM. Second session was conducted by Mr. Sandeep Tambe, Sr.Vice President, Sanjeev Auto-Parts Manufacturers Pvt. Ltd. explained PQCDSM in SCM along with strategies for global market.

Ms. Sheetal Agrawal, Founder President and Director at Grade-Up conducted the third session and spoken upon topic "Leadership skills for emerging managers –Leading through change"In the fourth session, Mr. Prasad Upadhye, DGM- Strategic Sourcing at Endurance Technologies Ltd., gave insights about strategic sourcing for elevating procurement for making business successful

Mr.Paras Mutha , Director at Approcool Aircon Pvt Ltd. and Hon. Secretary of SCM branch shared his views about the importance and role of IIMM in SCM with futuristic approach.

Mr. Amit M Korde, President of Marathwada Industrial Supplier Association (MISA) launched the Digital Directory of Traders, Dealers and Distributors of CSN. Mr.Abhishek Modani introduced upcoming mega event "Advantage Maharashtra Expo -2026" to be organised by MASSIA Maharashtra with IIMM as knowledge partner.

250+ participants attended the conference from various industries like Endurance Technologies Limited, Marathwada Auto Compo Pvt Ltd ,Kirdak Autocom Pvt.Ltd, Sanjeev Auto-Parts, Sangkaj Engg Pvt.Ltd, etc. Proceedings were conducted by IIMM Life Members-Miss.Rutuja Somani and Miss. Samruddhi Yelikar. National Council Members Mr.Sanjay Sanghai, Mr.Narendra Joshi, Mr.Srihari Kanthmani guided IIMM team to organise this conference.

Chairman Mr. Sushant Patare, Vice Chairman Mr.Shrikant Muley, Hon.Secretary Mr.Paras Mutha, Executive committee members Mr. Phanikumar , Mr.Ravi Kathavi Mr.Abhay Kulkarni, Mr.Sushil Pande, Mr.Sudhir Patil, Mr.Milind Ghogale, Mr.Lalit Lohade, Mr.Prem Kadam, Mr.Pankaj Jirimili. Mr.Sunil Ved, Mr.Sourabh Vaidya, Mr.Sudarshan Dharurkar, Mr.Amey Kolte, Mr.Ramesh Jaulkar, Mr.Ravindra Mohite Mr. Datta Khodse, Mr.Chetan Borse, Ms. Amruta Chaudhary took efforts for conducting the event successfully. Ms. Neepa Mehta, Nath School of Business & Technology(NSBT) supported the event by providing volunteers.

Vote of thanks given by EC Member Mr.Saurabh Vaidya.

The event was concluded by National anthem.

VADODARA BRANCH

IIMM Vadodara Branch successfully conducted a three-days training programme on 'Materials Management' from 22nd September to 24th September, 2025 at Gujarat Energy Transition Research Institute (GETRI), Vadodara for the Executives and Engineers of Gujarat Energy Transmission Corporation Limited-(GETCO), Madhya Gujarat Vij Company Limited-(MGVCL), Uttar Gujarat Vij Company Limited-(UGVCL), Paschim Gujarat Vij Company Limited-(PGVCL), Gujarat State Electricity Corporation–(GSECL) & Dakshin Gujarat Vij Company Limited-(DGVCL).

The sessions were delivered by expert faculties, Mr. Hariram Rajesh-covered Materials Planning & Inventory Management, Mr. Vishal Parikh–covered Purchasing and Contract Management, Mr. Jayant Kumar Thakur–covered Legal Aspects/Business Laws & Dr. Bharti Trivedi–covered Soft Skills. The training contents were structured into 4 sessions on each day with examples, interactive sessions and case studies. All the sessions were tailored to the specific needs of Gujarat Energy Transition Research Institute. Participants feedback was very positive and well appreciated. Total 41 professionals participated in the training programme.

Indian Institute of Materials Management

MISSION

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

OBJECTIVE

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

CODE OF ETHICS

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

IIMM **Research Centre**

CENTRE FOR RESEARCH IN MATERIALS MANAGEMENT (CRIMM)

IIMM has set up CRIMM in Kolkata jointly with the Techno India University which is one of the renowned and largest Private University in West Bengal. A MOU was signed with TIU on 17th of November, 2017. Techno India University, West Bengal, promoted by the well-known Techno India Group is a leading Private University in the state and the country

Objectives and Activities of CRIMM in brief

- To promote research in materials management discipline.
- To collaborate with industry for furthering the academic advancement of materials management and its application to industry.
- To render assistance to industries in problem solving projects, development activities, etc
- To take up project consultancy work in Materials Management. Centre will act as a nodal point for co-ordination and integration of research information in the field of Materials Management for on-going and completed research work in other countries

Research Fellowship

The candidate should have a Master Degree in any subject/discipline or equivalent professional Management qualification i.e. PGDBM, PGDMM etc. with at least 50% marks in aggregate at the graduation and post-graduation level. The candidate should have experience in working in Materials Management discipline or allied areas in industries. In case of highly experienced candidate in the field of Materials Management, and/or Engineering Graduates, Master Degree may be dispensed with. Preference will be given to industries sponsored candidates

The fees for such research studies will depend on the specific problem/area and the tenure, which will be borne by the sponsoring organisation. Those who will take up such Fellowship research studies on their own expenses, will have to bear the expenditure on their own. Successful Research Fellow from CRIMM shall have the unique opportunity to pursue PhD in Techno India University, West Bengal with condensed course work.

Governing Committee

A steering Committee has been constituted to oversee the working of the centre consisting of nineteen members, eight from Techno India University, West Bengal, eight from IIMM, and three from industry.

For more information please contact

Prof. (Dr.) Suresh Kumar Sharma

Jt. Chairman –CRIMM

M: 09818464359

Email: crimm.sureshiimm@gmail.com

EXECUTIVE HEALTH

AYURVEDA – DINACHARYA BENEFITS FOR WORKING PROFESSIONALS

MRS SUVARNA SUDAGONI (STUDYING AYURVEDA), IIMM HYDERABAD BRANCH

Ayurveda, meaning "the science of life" in Sanskrit, is an ancient holistic system of medicine that originated in India with the aim of promoting health, preventing illness, and preserving life by creating harmony between the mind, body, and spirit. It is based on the concept of the Tridosha a balance of elemental energies that influences health and disease, and utilizes lifestyle changes, dietary recommendations, herbal formulations, and practices like Panchakarma to achieve balance and well-being.

The power of Daily routine (dina charya) for physical and mental health.For the one who desires long life, wealth, virtue, and happiness, Ayurveda's teachings are the means. Therefore, one should show paramount respect for the instructions of Ayurveda". Dinacharya offers working professionals a structured, holistic daily routine that aligns their activities with natural body cycles, helping to manage stress, boost productivity, and prevent lifestyle-related illnesses. It provides a roadmap for better physical, mental, and emotional health even amid a hectic modern lifestyle

Improved mental clarity and focus

- Enhanced concentration: Aligning your work tasks with Ayurvedic principles can boost focus and efficiency. The time between 10 a.m. and 2 p.m., governed by Pitta energy, is considered ideal for tackling the most demanding mental tasks, as concentration and energy levels are highest.
- Reduced mental fatigue: Taking regular, short breaks—such as stepping away from the desk or doing a quick stretch—helps prevent mental burnout and improves overall efficiency.
- Lower stress and anxiety: Incorporating mindfulness and meditation into your morning and evening routines helps calm the nervous system, reduce anxiety, and foster emotional stability.

Enhanced physical energy

- Better sleep quality: Establishing a consistent sleep routine, which includes going to bed early (ideally by 10 p.m.) and avoiding screen time before bed, aligns your body with its natural circadian rhythm. This promotes restorative rest and ensures you wake up feeling refreshed.
- Improved digestion: Following a mindful eating schedule—making lunch your main meal and having a light, early dinner—strengthens your digestive fire. This helps prevent digestive issues, boosts metabolism, and increases your body's ability to absorb nutrients.
- Sustained energy levels: Consistent meal and sleep timings help balance your *doshas*, preventing the fatigue and sluggishness that can result from a scattered routine. Practices like drinking warm water in the morning also help stimulate digestion and flush out toxins, giving you a natural energy boost.

Stronger immunity and disease prevention

- Reduced risk of chronic illness: Unhealthy lifestyle habits are a major factor in the rise of non-communicable diseases like diabetes and heart disease. By regulating your daily regimen, Dinacharya acts as a preventative measure to mitigate these risks.
- Detoxification: Daily cleansing practices, such as tongue scraping and drinking warm water, remove the buildup of toxins from the body. This supports the body's natural detoxification processes and strengthens immunity.
- Enhanced resilience: A disciplined daily routine helps maintain the balance of the three doshas which is central to a strong and resilient immune system.

Greater work-life balance

- Structured and consistent routine: In a chaotic world, Dinacharya provides a sense of structure and stability. This daily discipline can lead to a greater sense of peace and self-awareness.
- Mindful transitions: The routine encourages mindful practices before, during, and after work. An evening wind-down routine that includes gentle stretching or reading can help you disengage from the workday and fully relax.
- Support for personal well-being: By prioritizing rituals like self-massage and spending time with loved ones, Dinacharya ensures that self-care is a consistent part of your life, not just an afterthought.

In conclusion, One should practice Ayurveda, the way of life, Ayurveda is the Knowledge that teaches what is beneficial or harmful for life, leading toe happiness or suffering.

Ayurveda is not just about curing diseases, BUT about preventing them through conscious living by following **SIMPLE DAILY ROUTINES**, personalized diets, and natural detox therapies, one can live a long, healthy, and fulfilling life. We all should integrate Ayurveda into our Life Style for True Wellness.

Source: Govt Ayurveda Site, Internet and Book – Ayurvedasya Bhasha

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BRANCH ACTIVITIES

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