FTCCI Review

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THE FEDERATION OF TELANGANA CHAMBERS OF COMMERCE AND INDUSTRY

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FTCCI
Wishes you a
Bright & Prosperous
Happy New Year
&
Makara
Sankranthi


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Inside

ARTICLES

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Do you know -?

- Wrench Time of your maintenance team
- OEE of your production Line
- Earned hours
- Whether your process is capable – Cpk?
- People's Skill and Organization Maturity
- Maturity of your processes, MCS
- Is your organization aligned with business goals

What if you could -

- Improve wrench time by **10%, means you need 25% lesser maintenance** crew
- Improve overall **productivity by more than 15%**
- **Reduce bad cost** by more than 10%
- Improve **digital literacy** of your team

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25th August 2020

Letter of Recommendation

We hired Minton Consulting to carryout assessment of our work standards and help us in re-designing process to improve operational efficiency.

We were overwhelmed with the collaboration, dedication and insightful consultation provided by Minton Consulting. Minton really helped us refine and improve the overall operating standards at our plant. Minton team carried out meticulous observations and extensive data analysis. They redesigned operating work standards that resulted in an improvement in operational efficiency by close to 20%.

Moreover, their structured approach, extensive collaboration with staff and thought-provoking brain storming sessions unearthed hidden potential of the plant. Minton also designed processes for digitization of various reports.

We recommend the services of Minton Consulting to all looking for implementation of operational improvement projects and wish Minton success in their future endeavours.

Yours sincerely

Anand Kumar Singh
SWM – Taloja Plant
Asian Paints Ltd.

Dear Members

My warm greetings and best wishes to all the members of FTCCI!

2020 has certainly been a challenging year due to the COVID-19 pandemic, however FTCCI has been consistently at the forefront of guiding the business community for responding to situation arising due to the pandemic. FTCCI has always been making concerted efforts on how to improve our economy by way of promotional activities, making Telangana a better place to live, work and excel. We appreciate the contribution of every member and look forward to continued participation in progressive initiatives of the FTCCI.

The much awaited Union Budget 2020-2021 is to be closely watched as many prime factors like boosting growth more particularly on stimulating economic activity and creating employment, will play a key role in tackling negative impact arising due to Covid-19 pandemic. FTCCI expects that stimulating economic growth is essential to create employment and remove frustration in the minds of people. The challenge is to spur growth and investment while keeping the fiscal deficit in check. FTCCI had also submitted its pre Budget Memorandum / wish list on both Direct and Indirect Tax, to the Central Govt. for its consideration. Several changes have been sought in the existing tax regime to tackle economic slump caused by the outbreak of Covid-19 and its impact on taxpayers. The government's spending plans particularly on infrastructure and social sectors as well as relief to sections hit by the pandemic and lockdown will dictate the pace of recovery. Continued government support will be crucial to sustain and propel growth momentum - which has picked up.

Indian economy is now expected to see a faster turnaround given the impending rollout of vaccine, increased mobility and less disruption to business operations as the economy opens up. Vaccinations against the corona virus are currently underway in many countries with several others, too, preparing to start their immunization drives. India also made a Covid-19 vaccination "dry run" in few states, to test the laid out mechanisms for the vaccination roll-out in the health system. All the states expressed satisfaction in terms of operational approach and use of IT platform to ensure transparency and effective monitoring of vaccination processes expected to cover a large number of people across the country. The Government needs to plan for operational guidelines and create additional facilities, to strengthen the Covid-19 vaccination roll out plan. Hyderabad has emerged as the nerve centre of all research and development activities in the country for Covid-19 vaccines and has even attracted international attention. Some of our members, Bharat Biotech and others are front runner in preparation of vaccine and we are proud for the same.

In order to convert each District in Export hub, Govt. of Telangana is constituting District Level Exports Promotion Committee (DLEPC) in all the Districts of Telangana. The DLEPCs are intended to identify export potential of each district and convert each district into a potential export hub towards "One District One Product (ODOP)", an initiative to identify the potential products in the district that can fuel economic growth and generate the employment and rural entrepreneurship as envisaged by the Government. FTCCI has been invited by the Telangana Govt. to represent and contribute its best for effective functioning of DLEPC. Members may send their intent to represent FTCCI on such dist. Level committees.

FTCCI will continuously make its efforts to enhance service initiatives in line with the latest technology, sector developments and member needs, allowing more opportunities for businesses to grow, thereby furthering economic growth and development. Active participation of members on this vital initiative, we can achieve this goal.

I welcome your suggestions and feedback (secretariat@ftcci.in) on the articles more particularly on the events/activities that we should plan and also invite your ideas which may help the FTCCI members, for their growth and development.

Let us make this year as a memorable and eventful year.

Ramakanth Inani
President

BUSINESS PROSPECTS *for the year 2021*

K. Bhasker Reddy

Managing Director, Cream line Dairy Products Ltd
Senior Vice President, FTCCI

"Agriculture remains a central pillar of the Indian economy. Yet, following the initial lockdown, while the economy ground to a halt, the food supply chain disruptions declined to 30% in lockdown period, exports have seen a hard hit and the mass exodus of migrant labour back to rural hometowns affected agriculture sector though to a lesser extent compare to industrial and service sector. Global exports faced transport and logistics problems - more stringent customs restrictions, as well as a shortage of containers and shipping vessels. Apart from all these casualties, the sector saw a quick recovery after lockdown was removed, and I am confident that by end of this quarter we will get back to normal levels. Hopefully the sector will have a high growth than the previous year as health awareness has increased and people would prefer more nutritious food".

Srinivas Garimella

Managing Director,
Vega Conveyors & Automation Ltd
Chair, Industrial Development Committee, FTCCI

Businesses were not prepared for a crisis of this nature; it was sudden and the signs of such a catastrophe were not evident and hence coping up with this calamity is not easy. A negative high single-digit GDP fall is now a certainty for FY20-21 and given that the base has shrunk, the rise may also be swift & impressive leading us to clock a positive 10% plus GDP growth for the forthcoming FY21-22. Since MSMEs have borne the brunt of the fall, it is advised for MSMEs to remain persistent and stay determined to be able to ride the positive wave for the next few years. Govt intervention in controlling rise of commodity prices, inflation, encouraging consumer spending and ensuring policy fluidity will go a long way in alleviating the sufferings of businesses and MSMEs. Sectors that may see massive growth in the next 1 to 2 years can be healthcare, FMCG, EComm & Retail, Chemicals & ICDT especially Digitalization.

Gubba Kiran

CEO, Gubba Cold storage
Member, Agro Food Processing & Rural Development Committee, FTCCI

"The time has finally come where down the line, say about in 2 decades, India will transform and evolve to a developed country from a developing country. To make the most out of this providential phase, the top 500 companies must be aligned to their core competency in every aspect to produce a quality and range of uniqueness like never before, making sure the outcome is affordable by every individual in the country since it is the utmost need of the next decade. There is no denial in this going to be an arduous journey, but what matters is the plan of action. India is going to compete with the world and to withstand the competition, India shall think 5 steps ahead of what's needed. The world trusts India and as Indian industrialist it will be our duty deliver the best of everything".

R. Ravi Kumar

Executive Director,
Zetatek Industries Ltd
Chair, Human Resources, Industrial Relations and Skill Development, FTCCI

One year ends and another year begin; after seeing an unprecedented, challenging year and taking forward many learnings, we entered into 2021 with enlightenment. Though COVID-19 continues to linger, the industry is in the situation to foresee the hurdles and create its own new normal paradigm. The industries need to firmly look into their day to day operations and be aware of the future turbulences and face them proactively. The industries have to get familiarized to remote workforce enablement, remote site visits and introduce VDI (Virtual Desktop Infrastructure) in addition to existing systems. Companies should strive hard to adapt to agile methodologies and adopt hybrid approaches. At the outset Industries also should be very vigilant and keeping in light the safety measures and the new normal way should help to decode the 2021.

K.K.Maheshwari

Managing Director
CIL Securities Limited &
Chair, Capital Markets and Investor Protection Committee, FTCCI

We are all aware that CY'2020 had been a year of exceptional difficulties, yet have seen several exciting opportunities surfacing as the Global Markets battled with the pandemic seems to be emerging out stronger, having combated the toughest phase seen in decades with an admirable sense of enterprising spirits. Happily, though the worst seems very much behind & 2021 looks very promising at large & the Capital Market segment of the Industry is poised to see a strong phase for now and is also likely to extend itself well into future. In essence, we the players within this segment are looking forward with renewed vigour& excitement to play an important role in the larger objectives of a nation that is aspiring to become a FIVE TRILLION DOLLAR ECONOMY in the next couple of years.

PHF Rtn.Sk.Valmiki Hari Kishan

Founder & Managing Partner,
Valmiki Travel & Tourism Solutions
Co Chair, Tourism & MICE Committee, FTCCI

"Travel, Tourism & Hospitality industry is the first affected and last to recover due to pandemic situation. However Tourism is Resilience by nature it has the tenacity to bounce back on its own. So many associations tried their best to revive unfortunetly nothing could take place in compliance with Government. The only solution to the Industry is to be more organised with the Industry status. Tourism stake holders must unite and collaborate to continue in true spirit of uniting each other and work hand in hand. We all must be prepared to run the business completely in a different manner and see that Online should not continue to hijack every oppurtunity to serve as it's a service Industry which can't be felt virtually. Wishing Happy New Year 2021 to all the Industry stake holders do well and prosperous".

Saurabh Kumar

CEO, GMR Hyderabad Air Cargo
Chair-Logistics Committee , FTCCI

"2020 was the year that has changed the way we live and work in many ways. We have learnt to innovate, work without going to office, learn without going to school, and most importantly it has taught us the value of community living. It also taught us how to embrace technology like never before, and not to miss the ease with which a passenger aircraft gets converted into a cargo aircraft! In all these new changes, one activity that has stood out as a lifeline of our economy has been the critical role played by Logistics and particular Air Cargo Sector in moving life-saving medicines, medical/protective equipment, food items and critical supplies. 2021 will see our Sector contributing in yet another landmark initiative – the global distribution of Covid-19 Vaccines, and in doing so I am proud that Hyderabad and Telangana Region, being the largest vaccine producing Region globally, will play a pivotal role in ensuring that much needed Vaccines reach all corners of the World from Hyderabad in the shortest possible time. Wishing all readers, members and our industry stakeholders a very Happy New Year 2021"

V Rajanna

Senior Vice President & Global Head – Technology Business Unit,
Tata Consultancy Services (TCS)
Former Chairman – CII Telangana

The year 2020 was characterized by unprecedented disruption for the industry and humanity, with the COVID 19 pandemic bringing up challenges for individuals, communities, businesses, and nations, alike. Yet, it created many opportunities with the accelerated adoption of technology across all facets of personal and work lives. The Indian IT industry has been the hallmark of resilience, serving global markets across industry verticals with the same fervor and high quality of service as earlier. The pandemic forced a rapid shift to remote working, a trend that is expected to continue with acceptance from most global enterprises.

I believe that 2021 would be much more promising for the IT sector as enterprises accelerate their digital transformation journeys to thrive and differentiate. Enterprises across industry verticals will re-imagine their businesses leveraging digital technologies like Cloud, Analytics, Artificial Intelligence and Automation, to become more resilient, adaptive and purpose driven. 5G will emerge as a transformational force, enabling several industry use-cases like Smart Manufacturing, Smart Cities and Autonomous driving.

Mahesh Bhalgat Ph.D.

Chief Operating Officer
Syngene International Ltd

"We know 2020 was a year full of learnings in Pharma, for India and for the world. We witnessed the fragility of our supply chains with respect to APIs, intermediates and key starting materials. Global Pharma majors also discovered their own supply chain vulnerabilities. The focus in 2021 will be to become supplier to the world across all aspects of the Pharma value chain, not just APIs and vaccines. At the same time we have the opportunity to establish India as an Innovation hub. Drug repurposing is one quick win area offering incentive to 'make in India'. This will leverage the govt's PLI scheme further and incentivize the Indian Pharma sector to get into data sciences, data harvesting and drug development. Biosimilars is another opportunity, driven by the redirection of biomanufacturing capacity towards vaccines, and the 67% drop in biosimilars approvals in the US. Our drive to innovation can only be built on two strong pillars – investments (coupled with patience) and collaboration (with CROs/ CDMOs for innovation experience)."

Petroleum prices set to rise in 2021 as vaccines take effect

Oil prices, that touched a historical low of $20 a barrel in 2020, may see better days in 2021 albeit in the second half, with analysts expecting vaccine to boost demand for the commodity globally.

Crude prices have in fact, already surged 35% from the lows of October-end to $51 per barrel. Spot liquefied natural gas (LNG) prices have surged from $2.1-3.5 per million metric British thermal unit (mmBtu) in Q1-Q2 FY21 to $7 per mmBtu in Q3 FY21 and have currently spiked to $11.1 per mmBtu for January 2021 delivery.

Analysts predict oil to be between $49 per barrel and $53 per barrel for Brent crude and US West Texas Intermediate (WTI) crude at $50 per barrel in 2021. Though analysts expect global fossil-fuel demand to remain soft in the coming years as companies commit to net-zero goals and countries attempt to limit emissions, fuel demand in India will still surge.

Indian diesel consumption was up 7.5% year-on-year in October, while in November it was down 6.9% year-on-year. US diesel consumption, on the other hand, declined 3.3% year-on-year in November than 6.7% in October. The International Energy Agency, (IEA) estimates global oil demand, which is down 8.8 million barrels per day (mbpd) year on year in 2020, to be up 5.8 mbpd year-on-year in 2021. IEA forecasts Brent prices will average $47 per barrel in the first quarter of 2021 and rise to an average of $50 per barrel by the fourth quarter.

https://www.livemint.com

PM Modi says work is on to set up 16,000 km of new gas pipeline network

Prime Minister Narendra Modi said work is on to set up 16,000 km of new gas pipeline network in the country, and it will be completed over the next four to six years.

Speaking at an event to dedicate the 450-km Kochi-Mangaluru natural gas pipeline, PM Modi said that the pipeline will help set up 700 compressed natural gas (CNG) stations and 2.1 million people avail piped natural gas (PNG).

The 450-km pipeline will help supply clean fuel for households, vehicles and industries in Kerala and Karnataka. It will transport natural gas from Kochi in Kerala through Ernakulum, Trissur, Palakkad, Malappuram, Kozhikode, Kannur and Kasargode districts to Mangaluru in Dakshina Kannada district of Karnataka and provide industrial fuel and feedstock for petrochemical and fertilizer sectors.

Modi said the pipeline is part of India' journey towards 'one nation-one gas grid.' A total of 1,544 km pipeline had been laid as part of the National Gas Grid in 2020. India plans to spend $60 billion in creating gas infrastructure till 2024, including for pipelines, liquefied natural gas (LNG) terminals and city gas distribution (CGD) networks.

India is the fourth-largest importer of LNG. Some of the strategies adopted to meet the objective of energy security and energy transition include a faster clean energy trajectory by leveraging natural gas and green hydrogen. The country is projected to see over $300 billion investment by 2030 in the oil and gas sector to meet rising demand.

https://www.livemint.com

CIL's coal allocation to power sector under e-auction rises 5.9% in April-November

State-owned CIL's coal allocation to the power sector under the special e-auction saw a 5.9 per cent rise to 17.96 million tonnes (mt) in the first eight months of the current financial year. Coal India Ltd (CIL) had allocated 16.95 mt of coal during the April-November period of the previous financial year, according to the coal ministry's monthly summary for the Cabinet.

However, coal allocation by the state-owned company under the scheme dropped significantly to 1.38 mt last month, over 4.05 MT in the corresponding month a year ago, it said. Coal distribution through the forward e-auction is aimed at providing access to coal for such consumers who wish to have an assured supply over a long period, say one year, so as to plan their operations.

The purpose of the scheme is to provide equal opportunities to all intending coal consumers to purchase coal for own consumption through single-window services, at a price determined by themselves through the process of online bidding. Forward e-auction is aimed at facilitating all the consumers of coal across the country with wide ranging choice for booking coal online, enabling them to buy dry-fuel through a simple, transparent and consumer-friendly system of marketing of fossil fuel.

CIL is one of the major suppliers of coal to the power sector. The company, which accounts for over 80 per cent of domestic coal output, is eyeing one billion tonnes of coal output in 2020-21.

https://www.moneycontrol.com

Gujarat govt announces new solar power policy

The Gujarat government announced a new solar power policy comprising provisions to encourage small and medium scale solar projects on residential, commercial and industrial premises.

Under the new policy, the state government has scrapped the condition that the installed capacity of a solar project needs to be 50% of the sanction load or contract demand. Now, an individual or industry can produce solar power in their premises as per their requirements and without any limit on the capacity, Chief Minister Vijay Rupani said, while unveiling the "Gujarat Solar Power Policy 2021".

"Under this policy, people can even give their terraces or premises to other developers on lease and earn an income on it. With no limit on the installed capacity, industries can produce more solar power and bring down their overall production cost," Rupani said.

To encourage people to opt for solar panels, the state government has also announced that additional electricity from roof-top residential projects and captive MSME units will be purchased at Rs 2.25 per unit for a period of five years, it was stated. Moreover, a group of industries can also come together to set up a captive solar project at one place and distribute power as per their share in the investment, state energy minister Saurabh Patel said.

Under the new policy, the deposit amount has been slashed to just Rs 5 lakhs for a megawatt, the minister added.

https://www.hindustantimes.com

India's power consumption grew 6.1 percent in December

India's power consumption grew by 6.1 per cent to 107.3 billion units (BU) in December, showing spurt in economic activities, according to official data.

Power consumption in December 2019 was 101.08 BU. After a gap of six months, power consumption recorded a year-on-year growth of 4.5 per cent in September and 11.6 per cent in October.

In November, the power consumption growth slowed to 3.12 per cent to 96.88 BU compared to 93.94 BU in the same month last year mainly due to early onset of winters.

https://energy.economictimes.indiatimes.com

Rs 40,000 core liquidity boost on the anvil for private thermal power companies

Private sector coal-based thermal power plants may get a liquidity boost of Rs 40,000 Crore from the Centre's Atmanirbhar Bharat scheme along with Coal India's decision to give a longer-term credit to them, according to a report by ratings agency Crisil. Although the government has taken the decision to liquidate the overdue receivables from state-owned DISCOMS as part of a rescue package, national miner Coal India has given its nod to allowing private thermal power plants to get coal on 90-180 days credit. These two steps can help these plants with liquidity support of Rs 40,000 crore, thereby improving their overall credit profiles, Crisil said in a report. The government support is by way of Rs 1.2-lakh-crore loan scheme to enable DISCOMS to pay outstanding dues to gencos. The scheme requires the first tranche, accounting for half the package, to be disbursed immediately and the balance upon DISCOMS committing to operational improvements. Delayed payments by state DISCOMS and weakening cash flows due to lockdowns have over dues to private gencos to the tune of Rs 59,000 crore as of October.

Private coal-based power plants should see liquidity relief of about Rs 30,000 crore given that half of the over dues are owed to them, he added. In addition, gencos received relief from Coal India, which caters to 80 per cent of their coal demand, constituting nearly three-fourths of their coal requirements.

https://www.businesstoday.in

India Power aims to become preferred partner of state governments

India Power Corporation, in consortium with a €71 billion (Rs 6.11 lakh crore) French power utility major EDF International, have submitted bids to acquire power distribution utilities in Odisha. The consortium offers a combination of technical capabilities, financial strength and decades of experience in domestic and global environments, the company said in a statement.

The move is part of India Power's strategy to become the preferred partner of state governments across India for supplying electricity to domestic and industrial consumers at affordable rates.

https://energy.economictimes.indiatimes.com

India becomes net importer in Dec 2020 as merchandise imports rise by 8% yoy; Merchandise exports dive to $26.89B

India's merchandise exports for December 2020 stood at $26.89B, as compared to $27.11B in December 2019, resulting in a marginal fall of 0.80%.

During April - December 2020, the country's exports were $200.55B, as compared to $238.27B during the same period last year, exhibiting a negative growth of 15.8%.

Meanwhile, the country's merchandise imports in December 2020 were $42.60B, as compared to $39.59B in December 2019, an increase of 7.6%. Merchandise imports during April-December 2020-21 were $258.29B, as compared to $364.18B during the same period last year, exhibiting a negative growth of 29.08%.

India is thus a net importer in December 2020, with a trade deficit of $15.71B, as compared to a trade deficit of $12.49B, widened by 25.78%, said the Ministry of Commerce & Industry

https://www.indiainfoline.com

A step closer to Atmanirbhar Bharat

Union Education Minister Ramesh Pokhriyal virtually laid the foundation stone for 'TiHAN-IIT Hyderabad', the country's first test bed for Autonomous Navigation Systems (Terrestrial and Aerial) here at the IIT-Hyderabad campus on Tuesday, and said it was a step towards Atmanirbhar Bharat.

Department of Science and Technology, Govt. of India, has sanctioned Rs.135 crore to IIT-H under National Mission on Interdisciplinary Cyber-Physical Systems to set up a Technology Innovation Hub on Autonomous Navigation and Data Acquisition Systems (UAVs and RoVs). The Technology Innovation Hub on Autonomous Navigation Systems for Unmanned Aerial Vehicles and Remotely Operated Vehicles at IIT-H, known as 'TiHAN Foundation' was incorporated as a Section-8 company in June 2020.

"TiHAN Foundation, established at IIT-H, is a multi-departmental initiative including researchers from electrical, computer science, mechanical and aerospace, civil, mathematics, and design at IIT-H with collaboration and support from reputed institutions and industry. It is a great step towards 'Atmanibhar Bharat', 'Skill India' and 'Digital India'. With an essential focus on the research and development of interdisciplinary technologies in the specific domain area of Autonomous Navigation and Data Acquisition Systems, this hub focuses on addressing various challenges hindering the real-time adoption of unmanned autonomous vehicles for both terrestrial and aerial applications," said Mr Pokhriyal.

https://hyderabadnow.in

Vaccination drive and economic activity to spur India's V-shaped recovery in H2: Govt

India's economy is expected to perform better in the second half of the year on the back of sustained improvement in high frequency indicators and approval of emergency use of two vaccines to counter Covid 19, which will provide tailwinds to the country's V-shaped recovery.

https://economictimes.indiatimes.com

Vietnam - the third biggest exporter of rice - buys from India for the first time in decade

Vietnam, the world's third biggest exporter of rice, has started buying the grain from rival India for the first time in decades after local prices jumped to their highest in nine years amid limited domestic supplies, four industry officials told Reuters. The purchases highlight tightening supplies in Asia, which could lift rice prices in 2021 and even force traditional buyers of rice from Thailand and Vietnam to switch to India - the world's biggest exporter of the grain. Indian traders have been contracted to export 70,000 tonnes of 100% broken rice for January and February shipments at around $310 per tonne on a free-on-board (FOB) basis, the industry officials say.

"For the first time we are exporting to Vietnam," B.V. Krishna Rao, president of the Rice Exporters Association, told Reuters on Monday. "Indian prices are very attractive. The huge price difference is making exports possible." Dwindling supplies and continued Philippine buying have lifted Vietnamese rice export prices to a fresh nine-year high.

Vietnam's 5% broken rice is offered around $500-$505 per tonne, significantly higher compared to Indian prices of $381-$387. The shrinking supplies will heighten concerns about food insecurity with sub-Saharan Africa among the areas where import demand has been increasing due partly to population growth. Chronic and acute hunger is on the rise, impacting vulnerable households in almost every country, with the COVID-19 pandemic reducing incomes and disrupting supply chains, according to the World Bank.

https://economictimes.indiatimes.com

COVID lockdown aids road infra projects in Hyderabad

Durgam Cheruvu Cable Bridge (DCB)

The lockdown imposed on account of the COVID-19 pandemic, despite denting the revenues of GHMC, proved to be a blessing in disguise when it came to projects and maintenance of road infrastructure during the year 2020. Quite a few projects which had remained unfinished due to lack of road clearance could be expedited due to curfew imposed during lockdown, and deserving the foremost mention among such projects is the cable-stayed bridge on Durgam Cheruvu. The 735.639-metre bridge connecting Jubilee Hills with the Hitech City was finished and inaugurated during the Unlock phase of the lockdown period, with an expenditure of Rs.184 crore. It was built as part of the Rs.25,000 crore Strategic Road Development Plan (SRDP).

Other projects which were completed during 2020 under the SRDP include the flyovers on Road No.45, at Biodiversitiy Junction, LB Nagar Junction, and Nagole Junction, besides an underpass at the LB Nagar Junction. Road widening in Amberpet, Balanagar, and Uppal areas too has been taken up after property acquisition, in coordination with Roads & Buildings, and HMDA. In order to develop alternative road network in the city with least component of property acquisition, the corporation's Town Planning wing has led the design and development of missing link roads during the year.

In the first phase, a total of 37 stretches constituting missing links between major thoroughfares have been identified, which have been handed over to the Hyderabad Road Development Corporation (HRDCL) for development.

https://www.thehindu.com

India's Eight Core Industries contract for the ninth consecutive month to 2.6% in Nov 2020

The combined Index of Eight Core Industries for November 2020, stood at 125.9 declining by 2.6% (provisional) as compared to growth of 0.7% recorded in the same month a year ago. Cumulatively between April - November 2020, the index has contracted to 11.4%.

With the latest performance, India's Eight Core Industries index has contracted for the ninth consecutive month. Starting March 2020, where the index was at (-)8.6%, has been witnessing a downward trend. In February 2020, the index was at 6.4%.

The Ministry of Commerce & Industry said that the final growth rate of Index of Eight Core Industries for August'2020 is revised to(-) 6.9%. The Eight Core Industries comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP).

The summary of the Index of Eight Core Industries are per the ministry are:

Coal: Coal production (weight: 10.33%) increased by 2.9% in November 2020 over November 2019. Its cumulative index declined by 2.6% from April to November, 2020-21over corresponding period of the previous year.

Crude Oil: Crude Oil production (weight: 8.98%) declined by 4.9% in November 2020 over November 2019. Its cumulative index declined by 6.0% from April to November, 2020-21over the corresponding period of the previous year.

Natural Gas: The Natural Gas production (weight:6.88%) declined by 9.3% in November 2020 over November 2019. Its cumulative index declined by 12.1% during April to November 2020-21 over the corresponding period of the previous year.

Refinery Products: Petroleum Refinery production (weight: 28.04%) declined by4.8% in November 2020 over November 2019. Its cumulative index declined by 14.9% from April to November, 2020-21over the corresponding period of the previous year.

Fertilizers: Fertilizers production (weight: 2.63%) increased by 1.6% in November 2020 over November 2019. Its cumulative index increased by 3.8% during April to November 2020-21 over the corresponding period of the previous year.

Steel: Steel production (weight: 17.92%) declined by 4.4% in November 2020 over November 2019. Its cumulative index declined by 19.4% during April to November 2020-21 over the corresponding period of the previous year.

Cement: Cement production (weight:5.37%) declined by 7.1% in November, 2020 over November, 2019. Its cumulative index declinedby19.5% from April to November, 2020-21over the corresponding period of the previous year.

Electricity: Electricity generation (weight:19.85%) increased by 2.2% in November,2020 over November, 2019. Its cumulative index declined by 4.7% from April to November, 2020-21over the corresponding period of the previous year.

https://www.indiainfoline.com

3rd Batch

Online Certificate Course in Export Import Management

5th December, 2020

The program is being organized with the support of Government of Telangana, Telangana State Trade Promotion Corporation Ltd., and Yes Bank Limited. The inaugural session was held on 5th December, 2020.

Mr. K. Bhasker Reddy, Senior Vice President, FTCCI stated that the Export/Import Certificate Course is a specialized program that supports the needs of companies working with clients and suppliers worldwide. The businesses will also be able to take advantage of the many import-export business opportunities for both purchasing and marketing as well as make use of business systems that can help to achieve a maximum advantage in the international market. Learn how to effectively trade worldwide and manage an international business, from negotiating contracts to resolving cross-border disputes.

Mr. Rajendra Agarwal, Chair, International Trade Committee, FTCCI informed that Certificate Course in Import and Export Management encompasses the overall International Business fundamentals and will provide an insight for entering into export/import business. The global market scenario has undergone a drastic change over the years and has opened up new avenues in the export import sector.

Mr. E.V. Narsimha Reddy, Joint Managing Director, Telangana State Trade Promotion Corporation Limited mentioned that Telangana State has the strong exporting sectors of Pharmaceuticals, Bulk Drugs, Chemicals, Granite, Gems and Jewelleries including pearls and diamond, aerospace, defence and automobile components, Software, seeds, meat and spices. The State has plenty of resources like Agriculture, Horticulture, livestock, Mines and minerals and handicrafts. Telangana State Trade Promotion Corporation (TSTPC) is facilitating all the prospective exporters in respect of new or innovative products and new markets from time to time. This is a good opportunity for the prospective exporters from the state to boost its export performance by strengthening its domestic manufacturing.

He mentioned that TSTPC has been playing proactive role in catalyzing growth of industry, trade, investment and technology transfer by organizing trade promotional activities, creating logistic and trade promotional infrastructure and offer facilities of world standard. He appreciated the initiative of FTCCI and hoped that the course will help all the participants in expanding and starting new ventures and exploring business opportunities more particularly of export and import.

Mr. Sanil Chorinchath, Group Executive Vice President, Yes Bank Limited, Mr. C.V. Anirudh Rao, Co-Chair, International Trade Committee and Ms. Khyati Naravane, CEO of FTCCI also participated and addressed on this occasion.

Webinar on e-Invoicing under GST

15th December, 2020

Sri Ramkanth Inani, President, FTCCI said that the first phase of e-invoicing was implemented from 1st October 2020 for taxpayers with an aggregate turnover exceeding Rs.500 crore. From 1st January 2021, e-invoicing will be extended to businesses with an aggregate turnover exceeding Rs.100 crore. The government plans to bring all businesses under the scope of e-invoicing from 1st April 2021.

Sri Ritesh Mittal, Chair, GST and Customs Committee, FTCCI said that as a part of our endeavour to educate the Trade and Industry in respect of basic changes in Act and Rules by way of conducting webinars and also representing the issues to the Government for redressal. Today our committee back to back organizing two programs one is e- Invoicing and other is Quarterly Return and Monthly payment of Tax Scheme which will be dealt by Chief Commissioner of Central Tax, Hyderabad Zone, Smt. Mallika Arya, IRS. These changes are going to be implemented from 1st January, 2021. CA Mohd. Irshad Ahmed, Co-Chair, GST & Customs Committee, FTCCI introduced Sri Ravi Kiran.

Sri Ravi Kiran IRS, Vice President, GSTN, New Delhi congratulated the FTCCI organizing this webinar. As GSTN we are very keen to be the part of these types of outreach session.

Invoice is the primary document both for taxation purpose as well as evidence of the transaction between two parties. e-Invoicing is going to transform not only the taxation department but also the delivery method of invoice itself may go a significant change. From January, 2021 onwards almost 100 cr. and plus tax payers are getting on boarded to start e-invoicing. As per statistics in October about 5 cr. invoices and in the month of November around 6 cr. invoices were generated. These are generated by around 5 thousand plus PANs (5 thousand plus tax payers) so far and there are few hundreds more. Most of them are exempted only B2C supplies. On boarding percent is highly satisfactory as far as the 5 hundred cr. plus concerned. The higher in generation almost 80% are GST Suvidha Providers (GSPs) i.e. one of the echo system partners facilitated by GST network and the Government to act as an easy channel to the GST system. Presently around 32 thousand plus GSTNs are generating IRNs on regular basis. GSTN have uploaded awareness material along with FAQs and also video records are in public domain.

If we see the global scenario of e-invoicing in Latin American Countries, majority of South American Countries have implemented it long back and they mostly concentrated on the aspect of reporting to government portal or reporting to the invoices to the government. He explained the rational of introduction of e-invoicing. The recent announcement of Finance Secretary, in future e-way bill and even Returns are going to change a lot. Immediately it may be not done but government will take a decision. Auto population of GSTR1 is started from December 1, 2020 presently it is T + 2 basis that means the IRN e-Invoicing details uploaded on December 1, 2020 the taxpayers able to see them in their GSTR1 on third of December.

He further informed that e-invoicing system is aimed at filling the gap in MSME Financing. Since most of MSME credit is asset based, they are facing problem due to absence of ready credit and e-invoicing is going to fill this gap. The TReDS platform is set up by RBI for MSMEs to trade their invoices, the financier will finance against the invoice and the supplier gets ready finance in his bank account.

CMA Mallikarjuna Gupta explained the integrated approach to e-Invoicing, e-Waybill and GST Compliance, its impact on business processes and clarified the issues raised by the participants.

FTCCI & FICCI Jointly organised Online Interactive Meeting on

Quarterly Return Filing and Monthly Payment of Taxes (QRMP) Scheme under GST

Smt. Mallika Arya, IRS, Chief Commissioner of GST & Customs Hyderabad Zone

15th December, 2020

Sri. T. Muralidharan, Chairman of FICCI Telangana State Council welcomed and thanked the Department for coming forward to interact with Industry and Trade on QRMP scheme for better understanding.

Sri Ramakanth Inani, President, FTCCI said that the changes in GST filing rules are welcome and will ease the procedure. After the changes, the small tax payer have to fill the returns quarterly instead of monthly which is definitely save time and more convenient. The scheme, which is optional, will ease the returns filing process for 9.4 million taxpayers, which is about 92% of the total GST base that have annual aggregate turnover up to Rs 5 crore.

Smt. Mallika Arya, IRS, Chief Commissioner of GST & Customs Hyderabad Zone presented the Overview of Quarterly Return Filing and Monthly Payment of Taxes (QRMP) Scheme under GST.

The GST Council in its 42nd meeting held on 05.10.2020, had recommended that registered person having aggregate turnover up to five (5) crore rupees be allowed to furnish return on quarterly basis along with monthly payment of tax, with effect from 01.01.2021.

For the first quarter of the Scheme i.e. for the January, 2021 to March, 2021, all the registered persons, whose aggregate turnover for the FY 2019-20 is up to 5 crore rupees and who have furnished the return in FORM GSTR-3B for the month of October, 2020 by 30th November, 2020, would be migrated on the common portal as per the default migration plan for the convenience of registered persons based on their anticipated behaviour. However, registered persons are free to change the option as above, if they so desire, from 5th of December, 2020 to 31st of January, 2021.

How to exercise the Option for the QRMP Scheme:

- To be exercised through GST Portal.
- Option can be exercised GSTIN-wise.
- Once exercised, the TP continues in the Scheme until he desires to opt out /ineligible.
- Form GSTR 3B- due on the date of exercising option ought to have been filed.

Manner of Payment of Tax:

- Due date -25th of the succeeding month.
- Payment to be made by way of Form PMT 06.
- Deposit made in the two months cannot be used for any other purpose till the filing of the return for the Quarter.

No deposit required, when:

- Balance in cash/credit ledger adequate for tax dues for the 1st month and 1st & 2nd month cumulatively
- There is a nil tax liability.

The registered persons opting for the Scheme would be required to furnish FORM GSTR-1 and GSTR-3B quarterly. However, they have to make monthly payment using PMT-06 for an amount equal to 35% of the tax paid in cash as per the Fixed sum payment or self-assessment based on the availably of sufficient balance in Electronic credit/cash ledger. Further as a facilitation measure registered person will have the facility (Invoice Furnishing Facility-IFF) to furnish the details of outward supplies to a registered person, as he may consider necessary, between the 1st day of the succeeding month till the 13th day of the succeeding month, for each of the first and second months of a quarter, and the details of outward supplies shall not exceed the value of fifty lakh rupees in each month.

Sri Sudhir Reddy, President, Telangana Industrialists Federation (TIF) and CA Sudhir V S, Chairman, Taxation Committee of FICCI Telangana State Council also participated and addressed the meeting.

Webinar on Trade Receivable Discounting System (TReDS)

17th December, 2020

FTCCI in collaboration with M1Xchange conducted a webinar on "Trade Receivables Discounting System (TReDS)" on 17th December 2020.

Sri Ramakanth Inani, President, FTCCI said that TReDS could be a solution to help small businesses to mitigate cash flow issues and tide over these uncertain times. Covid-19 Pandemic has affected the MSMEs adversely & majority of them are suffering from financial crunch due to loss of production and low demand.

Sri Prem Chand Kankaria, Chair, Banking and Finance committee, FTCCI, said that the TReDS program is modernizing and bringing up India. TReDS being a unified and transparent platform connecting all stakeholders will play a crucial role in mitigating the financial crunch that now looms ahead of the MSMEs today.

Sri Josekutty, ICLS, Registrar of Companies for the state of Telangana, said that the RoCs have to monitor the e-filing and when GoI has mandated the large corporate to register themselves in the TReDS platform, they have written many letters to corporate and successfully got good number of large companies with turnover of over Rs 500 crore to register. He stated that since the registration is only voluntary, they are only encouraging corporate companies to come on board for the benefit of all stakeholders. The scheme is meant for well being of MSMEs by ensuring liquidity immediately.

Sri Y. Mohan, AGM, SBI, said that the MSMEs are always said to be the backbone of the economy, but the fact is that they always face constraints in getting finance at right times. TReDS platform will be beneficial, as all the participants are directly connected. The major advantages of TReDS are that it is supported with immediate finance not affecting the liquidity, a win-win solution for MSMEs, it is collateral free, and also has benefit of choosing the supplier. He requested all the MSMEs to register themselves in the platform and reap the benefit.

Sri Sanjeev Kumar Saini, Assistant Director, MSME-DI, Hyderabad appreciated the initiative in organizing this webinar on TReDS and cresting awareness among all the MSMEs. He also explained the major initiatives of the GoI for MSMEs and encouraged everyone to utilize the services.

Sri Roy Mathew Kurian, National Sales Head, M1Xchange, explained in detail the process of the registration and the benefits thereon. He also mentioned that the MSMEs will no longer need to be dependent on fund realization to conduct business on daily basis. This platform provides ease of use, access to finance, competitive edge and shared risk. He encouraged all the participants to register under M1Xchange and get benefitted.

The session was followed by Question & Answer and Vote of Thanks by Srinivas Garimella, Chair of Industrial Development Committee, FTCCI.

Sub: MA&UD Dept., - HMWS&SB-20KL Free Drinking Water Supply Scheme-Certain Guideliness-Issued-Reg

Memo No. 13423/Engg.2/2020
Dated : 08.01.2021

For complete GO please visit: https://www.ftcci.in/source/downloads/watersupplyscheme.pdf

Omprakash Tibrewala
Memorial Endowment Lecture on
REBOUNDING INDIAN ECONOMY:
WAY FORWARD

18th December, 2020

Mr. Ramakanth Inani, President, FTCCI said that Shri Omprakash Tibrewala was a Managing Committee Member of the then Federation of A.P. Chambers of Commerce and Industry (FAPCCI) from 1976 and he became President, FAPCCI for the year 2002-2003. During his tenure at FAPCCI, he dedicated himself to improving business environment in the state, and continuously strived to resolve contemporary issues.

Mr. Inani emphasized that Indian economy is showing signs of recovery from Pandemic and is expected to rebound in 2021 on the back of measures taken by the government and the RBI, coupled with easing of global trade.

Mr. Abheek Barua, Chief Economist and Executive Vice-President, HDFC Bank delivered his views on Rebounding Indian Economy: Way Forward. He stated that the overall GST including both the structure and the implementation need to be reassessed and made simpler. If not, the revenue buoyancy that was expected from this major shift in tax regime will never materialize. He emphasized that while in many areas 'Collaborative federalism' is needed especially in negotiating with the centre, there is also a need for a competitive Federal structure that should ultimately lead to some convergence of economic opportunities across the country.

Mr. Barua highlighted that inflation has been rising and is at over 7 per cent as against the RBI mandated 6 per cent. This is a matter of concern as it has gone up substantially over the past three months. This means that if one is expecting more help from the RBI, it may become difficult to come by as there will be liquidity pressure.

He also said the each state has to be nimble to grabbing investments, much like Vietnam has been doing for the same. He suggested that the FTCCI should write to the Government against fiscal consolidation by both Union and State Governments. He further said that in the coming days, the biggest question will be how to fully recover from the financial crisis without fiscal intervention.

Mr.Arun Luharuka, Trustee, Omprakash Tibrewala Foundation & Past President, FTCCI conducted Q&A session.

Mr. K. Bhasker Reddy, Senior Vice President, Mr. Anil Agarwal, Vice President, Mr. Abhishek Tibrewala, Managing Trustee, Omprakash Tibrewala Foundation & Managing Committee Member of FTCCI, Ms. Khyati Naravane, CEO and Ms.T.Sujatha, Dy.CEO of FTCCI were participated in the lecture.

FTCCI partnered with GITAM Hyderabad Business School organized

Webinar on Distribution of COVID-19 Vaccine In India : The Road Forward

23rd December, 2020

Mr. Ramakanth Inani, President, FTCCI mentioned The distribution involves logistics like storage, transport of Vaccines at a specific temperature. This again involves the cold chain facilities available, especially in developing countries and less developed countries. More investments in this sector are also needed because the existing distribution infrastructure is designed for child immunization and not for handling the entire population. It is a very Hercules task organizing the Vaccine administration to the vast 1.35 billion people will call for a large health workforce. It is understood that the Government of India already draws the strategy for distribution of Vaccine to reach as many people as possible in a short duration.

Dr. Ravi Prakash Mathur, Vice President, Dr. Reddy's Laboratories stated that complexity of providing vaccines. Storage- considering all the norms (social distancing, etc.), we will provide 100 vaccines/ session. So, the daily MOQ in such a scenario is 100. But primarily, the MOQ ranges from 5k-7k, which should be converted to 1k then 100 units eventually. India needs a supply of 4000 boxes every day monthly centers for vaccination, and he gave a brief estimation about the vaccine production and how the supply of Vaccine is to be done and spoke about the complexity of supply chain. In case of last-mile delivery and delivery to urban areas and villages, the packaging itself should be self-sufficient and self-equipped (with a cold facility) for 48 hrs.

1) Initially all the warehouses combined have to travel an estimated 10 crmiles (not an exact figure) across manufacturers through supply chains. Now, they would have to travel an estimated 1cr miles per warehouse, i.e., receiving and sending 4000 boxes a day speed. We also need a lot of dry ice in case of road transport. Scalability is roughly around 10 lakh polling stations in India for national elections for single-day use, whereas COVID-19 vaccinations would require 40k vaccine centers as they would be used for one month. It's estimated that 30cr ppl will be vaccinated for the 1St wave.

2) Mr. Sachine Sable. Director, MSD Pharmaceuticals talked about the COVID Vaccines' last-mile delivery. He also showed some insights about the completed process, how the distribution system works in case of a Pharma product & the stages in vaccine development where our country stands in the Regulatory Review by the FDA. Starting from the chemist shop's input right, he showed the time estimation and the process involved. He quoted,"Supply chain is not only delivering goods but also comply with the external and internal environment. " He also focused on the Bull Hip effect of the vaccines that may arise soon.

Mr. Saurabh Kumar, CEO, GMR Hyd Air Cargo stated that freighter aircraft will help carry and transport the vaccines because along with the Vaccine's weight, it also has to carry the weight of dry ice, and the capacity of freighter aircraft is between 5 to 7 tons. He also spoke about Vaccines in phases and how the demand increased for the products like masks sanitizer.

Mr. Gubba Kiran, CEO, Gubba Cold Storage spoke on the key challenges and readiness of the company for Vaccination preservation. The major problem is related to a storage capacity of 500 million vaccines & only 250 million Doses of Cold storage is available in India. He threw some lights on the challenges faced in Cold Storage and Reefer Logistics in the case of Vaccine preservation.

Mr. Shekar Agarwal, Past President and Ms. Khyati Naravane, CEO, FTCCI also participated and spoke on this occasion.

FTCCI, Jointly with Telangana and Andhra Pradesh Tax Bar Association (TAPTBA) organized

Interactive meeting with Principal CCIT, TS & AP Shri. J B Mohapatra, IRS on "Issues & Resolutions under Vivad se Vishwas Scheme"

J.B. Mohapatra, IRS, Principal CCIT, Telangana & AP

23rd December, 2020

Sri Ramdev Bhutada, President, TAPTBA welcomed Shri J.B. Mohapatra, IRS, Principal Chief Commissioner of Income Tax, AP & Telangana and other Officials.

Sri Ramakanth Inani, President, FTCCI said that the Government has rolled out the Direct TaxVivad se Viswas (DTVSV) Act in March 2020 and considering the pandemic situation, the same has been suitably extended time and again. He also lauded the efforts of the Board for releasing FAQs and providing necessary clarifications from time to time, facilitating the taxpayers to file a declaration under the said Act by 31.12.2020 (Notification no. 85/2020 dated 27.10.2020).

Shri J.B. Mohapatra, thanked the TAPTBA and FTCCI for organizing the webinar and explained that the rollout of the Vivad Se Vishwas Scheme has been entirely electronic and online through the E-filing portal of the department. He then explained the various 5 forms (FORM-1, 2, 3, 4 &5) under the DTVSV Act and its scheme. He also described that any declarant under the terms of the Act they can file their Form No.1 electronically to any of the designated authorities. He added that, in Telangana there are 7 designated authorities such as Hyderabad PCIT –I, II, IV, CIT-Central, CIT-TDS and CIT-Exemption and in Andhra Pradesh 4 designated authorities i.e., PCIT – Vijayawada, PCIT-Tirupati, PCIT-Central – Visakhapatnam and CIT-TDS – Vijayawada.

He said that though the period for DTVSV Scheme is short, recognising the need, the Board has proactively through its communications of April 2020 and December 2020 has called nearly 89 relevant questions regarding the administration of the Act and answered them. Later, he gave a broad overview on the administration of the Scheme and said that the scheme allows a valid declarant to pay only 100% of the taxes and get relief from interest, penalty and future prosecution, if contemplated. In case of search, it is 100% of taxes plus 25 % i.e. 125% of the taxes. If it is departmental appeal, the taxpayer can disarm the departmental appeal by paying 50% of the disputed amount and make the dept. withdraw the appeal. The Scheme also guarantees the tax privacy between the department and tax payer and will not affect the future affairs. He concluded by saying that is a scheme which benefits immensely the taxpayers and is a good opportunity to all the taxpayers in AP & Telangana who can come under the scheme to avail it.

Ms. Preethi Garg, IRS, Principal CIT, Hyderabad –I, Shri P. Jai Kumar, IRS, Principal CIT, Hyderabad-IV, Shri M. Anil Kumar, IRS, Principal CIT, Vijayawada, Sri Peeyush Sonkar, IRS, CIT – Admin, Hyderabad and Ms. Neeju Gupta, IRS, JCIT also participated in the meeting.

Webinar on Green Energy Market : Achievements and Way Forward

24th December, 2020

Sri Ramakanth Inani, President, FTCCI informed that the Green Term Ahead Market (GTAM) initiative in electricity will provide consumers a sustainable choice, help government to achieve its renewable energy goal and enable integration of renewable in the most flexible and efficient way.

Sri Sushil Sancheti, Chair, Power and Renewable Energy Committee, FTCCI said that Energy is a crucial tool for any manufacturing industry and also stated that Green Energy is the new development in the exchange which allows buying or selling the green and sustainable energy on IEX.

Sri Nitin Sabikhi, Vice President-Business Development, IEX appreciated FTCCI in playing an interactive role in organizing this event which gives the brief on green Energy market. He explained about the different market segments in IEX platform such as Day a Head Market, Intraday market & day a head contingency, term ahead contracts, renewable energy certificates, energy saving certificates, real-time market and the Green Term Ahead Market (GTAM). He stated that the GTAM will help in building the sustainable energy economy in the country, as India is seeing a rapid transformation of energy ecosystem. He concluded by saying that more competitive and innovative contracts in power need to be allowed, in terms of market deepening and also there should a uniform regulatory & policy framework across the state that would augment the energy exchange.

The Question & Answer Session was moderated by Sri Uppuluri Srinivasa Venu, Co-Chair of Power and Renewable Energy Committee. He said that the market has opened up with greater visibility in recent times in trading platform. Going forward the exchange would become more user-friendly. He also said the Telangana state would progress a head in the energy space because recently the State has announced the e-mobility policy, that would help the renewable energy growth.

World Soil Day 5th December
Tree Plantation Program at Miyawaki Forest-NITHM Campus

Sri Ramakanth Inani, President, FTCCI along with other Officials

Meeting to discuss on IT Solutions to MSMEs and support them in Digital Technologies on 7th January, 2021.

Dr.B. Yerram Raju, Director, Telangana Industrial Health Clinic Ltd. (TIHCL) and others.

Need of the hour

Needless to say what the 2019 global pandemic has done to the world financially, emotionally & mentally...Finally, after this hurricane, now we see a ray of hope, Vaccine underway . Our oneness has become efficient enough to fight the battle against Covid 19.

** Gubba Kiran*

The Pharmaceutical industry has raced against the time by a big time and has brought the vaccine to mankind in the record time in less than one year, the countless and tireless efforts of scientists , doctors, pharmaceutical companies across the globe have created this wonder, which is a priceless gift to the mankind.

The Cold chain industry has already shown its responsibility in demonstrating toe to toe actions with the Pharmaceutical industry in creating the much needed and critical cold chain infrastructure for COVID-19 vaccine from the manufacturer to the last mile delivery, till it's injected to the human body.

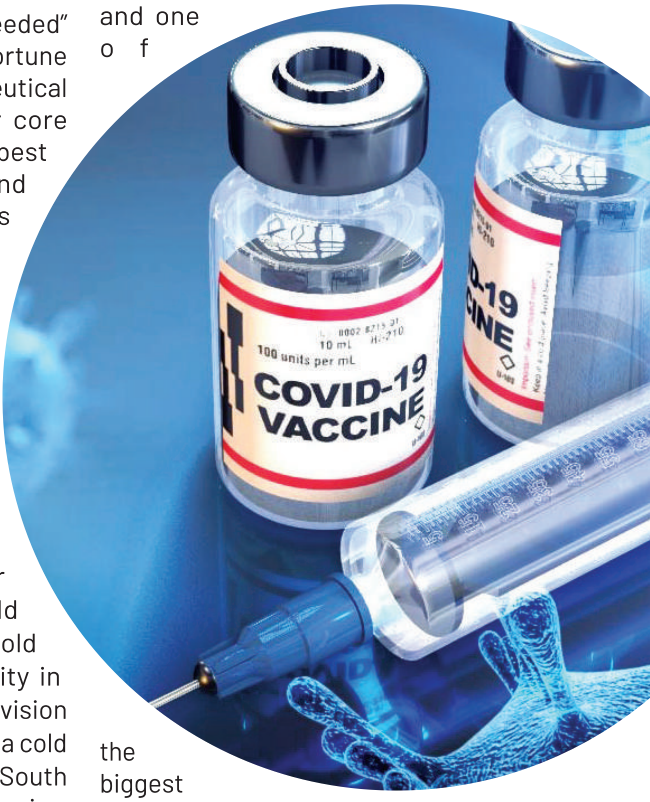
India is a developing country and we do not have many vaccine compliant cold storage facilities, the facility needs to be WHO GDP approved facilities with 21 CFR online temperature monitoring system. India has 10,000 Cold Storages which preserve, spices, fruits, vegetables, less than 0.5% are Pharma compliant cold storage facilities and we have a long way to go.

But India is fast catching up too and putting its best foot forward in creating the needed infrastructure in a record short time to handle & preserve vaccine. With Cold Storages in nook & corners of India, is one of big strength & has a gap that many of these facilities are not vaccine complaint but with some infrastructural & technical changes, India can be super power in Vaccine preservation in years to come.

Gubba Kiran, CEO of Gubba Cold Storage in his various communications in webinars conveys that "need has come for the cold chain industry to be proactive approach rather than reactive in their approach & looking whats needed in vaccine preservation & this pro active approach allows us to think and discover 5 steps ahead of the situation and create the needed" & he further said "Like the Fortune 500 companies The Pharmaceutical industry must stay to their core competency in inventing the best medicine to the mankind and leave the non core operations like cold storage, logistics etc to specialised players like Gubba, who provide more value to the Pharma supply chain with a focused approach".

With specialisation in preservation of perishables since 33 years the very 1st cold storage of Andhra Pradesh, Gubba explored under the leadership of Gubba Nagender Rao, founder of Gubba Cold Storage. Pharma compliant cold storage facility came to reality in Hyderabad 3 years ago with a vision to address the gap in the pharma cold chain . Then we were the 1st In South India & Gubba literally altered the view of the Pharma world in creating the much needed trust in creating South India's biggest pharma compliant dedicated cold storage facility with 8800 pallets and today we serve more than 50 Pharma clients, proudly.

As the Pharma industry was busy creating COVID-19 vaccine for us, we at Gubba lea by Gubba Prashanth, Innovations & Technical lead, silently &parallelly started creating a world class vaccine compliant cold storage facilities , we are happy to unveil our cold storage facilities in Medhcal, Yellampet&Annaram with a capacity of 10,000 pallets for COVID-19 vaccine preservation, in phased manner between January & March 2021. These facilities are One of the finest vaccine facilities in India and one of the biggest and finest in Telangana, with a capacity of 3 Crores vaccine doses capacity.



We are proud to dedicate this facility in service of people of Telangana and India and happy to be a critical partner in serving the mankind with our vaccine cold storage facility. For us it's more than a service, its an honour to serve & preserve the vaccine, having seen many lives lost due to pandemic .

** CEO, Gubba Cold Storage Pvt Ltd.*

How can India become an agricultural exports powerhouse post corona virus

- The coronavirus outbreak and the lockdown has spurred structural reforms in the agricultural sector.
- India's agricultural exports went up from $17.82 billion in 2009-10 to $ 42.51 billion in 2013-14 and has again gone down to about $33 billion in 2019-20

** Santosh Sarangi*

India has long been recognized as an agriculture powerhouse, but has performed much below its potential when it comes to agricultural exports. In spite of being the number one producer of dairy, mango, banana and second largest producer of cereals, fruits and vegetables, India ranks 10th among the countries with highest agricultural exports. Small countries like Belgium, Italy, Netherlands, etc. export much higher value of agricultural goods than us.

The coronavirus outbreak and the lockdown have spurred structural reforms in the agricultural sector. The Cabinet has recently approved amendments to the Essential Commodities Act, especially removal of stock limit on cereals, pulses, oilseeds, onions and potatoes will encourage people to invest in creating infrastructure and storage of the agricultural produce with a fair degree of certainty. The Cabinet also approved barrier free trade of agricultural products, contract farming arrangements with processors, aggregators, etc. The provision of Rs.1 lakh crore for agri-infrastructure as part of the Rs. 20 lakh crore package will definitely help the farmers. However, some people have rightly questioned whether these reforms would be sufficient to alleviate the farm distress and more importantly, would these lead to a greater integration with global market and consequently enhanced agricultural exports?

If India has to ensure efficiency in production and productivity, then a series of reform measures, including higher agricultural exports, will have to be ensured. India's agricultural exports went up from $17.82 billion in 2009-10 to $ 42.51 billion in 2013-14 and have again gone down to about $33 billion in 2019-20. A strong performance in agricultural exports has a number of positive externalities. Higher agricultural exports would mean better price realization for farmers, increased awareness regarding good agricultural practices and consequently, greater thrust on quality; an increased awareness of what consumers in other countries demand and thus, value addition, packaging, branding, etc.

Some of the reforms which need to continue for higher agri exports are as follows:

- Continue reforms in various domestic policies scattered around in Departments like Agriculture, Animal Husbandry, Food and Consumer Welfare, etc. The focus on strengthening quality regimen in agriculture production system needs to be a continuous effort. The ICAR, Plant and Animal quarantine, Central Insecticide Board, FSSAI and BIS need to work in a coordinated manner to improve the quality of the entire food supply chain. The way in which Basmati rice faces barrier in EU on account of banned tricyclazole, increased frequency of inspection of shrimps exported to EU on account of detection of presence of banned antibiotics, etc. have made it imperative to focus on improving the quality.
- Domestic policies and schemes would need to align with the disruptive changes that artificial intelligence, IoT, blockchain, etc. will bring to agriculture in the coming days. The policies relating to Minimum Support Price will also have to be made WTO compatible.
- While reforms in APMC, allowing contract farming, etc. may address long standing concerns regarding fair price to farmers, the agricultural exports will not see a substantial jump unless issues relating to logistics are addressed. Whether it is farm gate storage infrastructure, transportation bottlenecks (including inadequate availability of reefer and CA containers) or the facilities and turnaround time at the port of exit, the poor logistics are estimated to add 6 to 8% to our FOB cost vis-à-vis developed countries like Germany, Singapore, Hong Kong, etc. Thus, a systematic initiative to address the logistic bottlenecks will not only make our agricultural exports hassle free but also allow them to be more competitive. In addition developing right kind of sea protocol for perishables is crucial to increasing agri exports. Philippines and Ecuador have developed sea protocols for 40 days and 24 days respectively for transportation of banana whereas we are struggling to do it for 3 to 4 days.
- India's effort at market access and expansion of existing markets need a more coordinated approach between exporters and relevant government bodies. Currently, multiple departments/ agencies, for e.g. Ministry of External Affairs, APEDA, MPEDA, Plant Quarantine, FSSAI, Export Inspection Council and many others are involved in dealing with issues of market access request of other countries as well as pursuing India's requests to other countries. Agencies like APEDA and MPEDA, which pursue market access request for India's agricultural and aquaculture product, have no clue regarding market access requests of counterpart countries to India and, therefore, lack the flexibility to leverage other's request to access India's vast market with that of India's requests which keep on pending for years.
- It is also time now for India to think in terms of a unified body to handle all Sanitary-phyto sanitary (SPS) issues pertaining to agriculture. The USDA and USFDA in US, the FSVPS in Russia are examples of bodies which deal with market access request for imports as well as exports and are in a better position to make an effective quid pro quo.
- In addition, when doing a bilateral trade negotiation, there are umpteen instances of making concessions in favour of other countries on foreign policy considerations. However, it is time now for India to leverage its huge market of 1.3 billion people to get the best bargain for itself, especially when it comes to getting market access for agricultural and aquaculture products.
- The scouting of potential markets, tweaking products to meet specific consumer tastes and requirements need to be taken up in a scientific and sustained manner. Hitherto, most market outreach activities organized by Industry Associations largely targeted attending exhibitions for 2 to 3 years and making very small and incremental dent in the oversea markets. The kind of aggressive approach which Dilmah tea and Sri Lankan Tea Board have shown in promoting Ceylonese tea is a case in point and the winning sectors in agriculture arena (basmati rice, buffalo meat, tea, shrimp, processed products, Indian ethnic food, Indian Organic) need to initiate and sustain an aggressive campaign in select markets to grab a larger market share in those countries.
- In a rather gloomy scenario caused by coronavirus, agriculture has been a shining spot with record food grain production in 2019-20. With varied agro-climatic condition, large tracts of arable land, India has the potential to be the food basket for the world. The question is how soon and how systematically we are able to move in that direction. The time is now appropriate to reboot our agricultural exports – it will play a key role in 'doubling of farmers' income'

**IAS officer.*
(First published in Mint)
Source:https://www.livemint.com

Rebounding Indian Economy

Way Forward

** Mr. Abheek Barua*

Let me begin with the good news first and list some of our major achievements against India's war on COVID. For one thing, I believe the worst is over both in terms of the incidence of the infection and the economic crisis it has wrought. While all this is known to you, I thought it might be useful to list some of our key victories. First while the number of infections is large and second in the world, if we adjust that by population the picture looks much better and indeed better than many in the developed world. Second, despite the spread of the virus from its initial epicentre and across the country, we have not seen a major blowout in vulnerable states—broadly the so-called BIMARU states that have a legacy of weak health infrastructure.

Third, along with Argentina, we the only major country that has not seen vicious second wave affecting the country has a whole. Yes, there have been localized second or even third waves of COVID but one just needs to look at the recent experience of Europe and the US to appreciate how much worse things could be. Yes, a risk remains but is mitigated to a considerable degree by an effective rollout of the vaccine.

On the economic front, while the fist half might have seen a contraction the climb from the depth of a 24 per cent fall in GDP in the fist quarter to much better than anticipated fall of 7.5 per cent shows that we are well on the way to a marked short term—and I emphasize the phrase "short term" – bounce in the economy. In fact, while the majority of forecasters had predicted double digit contraction just a couple of months ago, they are rapidly revising their forecasts up and seem to converging to a an estimate of between 7 and 8 per cent contraction in the economy for the fiscal year. The second half of this fiscal is likely to witness marginal positive growth.The RBI has revised its projection for growth from negative in 2020-2021 from -9.5 per cent to -7.5 per cent. Atwopercentage point upward revision in GDP growth is, let me remind you, serious business.For 2021-22 the estimates vary from 9 to 12 per cent positive growth (the caveat here is that this is being magnified by an extremely low base).

An entire basket of economic indicators — be it e-way bill issuance, electricity or diesel consumption, railway freight, cement demand, two-wheeler and tractor sales — are robust. GST collections have started picking up. Demand for housing across price categories have risen as has demand for mortgages. There have been recent signs of a pick-up in investment activity particularly road building. Construction equipment sales has picked up sharply.

Let me turn to employment. Data from the Centre for Monitoring Indian Economy suggests that the unemployment rate was over 20% from end of March to the end of May. This was primarily on account of the lockdown announced to control the spread of the pandemic. Things improved post May and the unemployment rate has been in single digits from 21 June onward, when it was at 8.48%. On 15 November, it stood at 5.45%, the lowest in 2020.

Food supply has not been affected at all and our farm sector has remained resilient. There have been some isolated pockets where there has been either short term price increases – vegetables like onions and tomatoes – or even more sustained price pressures as in the case of pulses. However, for all other categories, we are likely to see a bumper crop both for the kharif and rabi season. This will both help moderate inflation and increase farmer incomes

India's economic strategy to fight the pandemic was somewhat unique among the major economies. The key difference is the much lower fiscal stimulus that it provided to revive the economy. For developed economies the average fiscal stimulus is about 11 per cent of their GDP. For emerging economies it is between 4 to 6 per cent. India's fiscal stimulus and support (including support in kind such as food) works out to just about 2 per cent.

Instead, India relied more on the monetary system and the credit mechanism to fight the pandemic. The RBI drastically slashed the policy repo rate by a hefty 115 basis points from March to now. A one percentage point cut in the Cash reserve ratio (CRR) in March that released Rs 1,37,000 crores into the financial system. Other liquidity measures included targeted liquidity operations (the TLTROs) that meant that the RBI opened lending windows to banks at low rates that could be on-lent to target stressed sectors.

At the heart of the strategy however was a hybrid of fiscal and credit policy – the credit guarantee programme or ECLGs. In effect, the government absorbed the risk in the system, risk that had become highly elevated due to the economic damage anticipated. With the government guaranteeing collateral-free loans, banks were encouraged to lend to segments like SMEs that they would have avoided otherwise. This, I am happy to note, is viewed by most bankers as a major success.Of the Rs 300000 crores of guaranteed loans that were announced, Rs 150000 crores have been disbursed and there are sanctions of over Rs 200000 crores. The number of sectors entitled to these guaranteed loans has expanded. The RBI has stepped in to tie the ECLGS with its targeted liquidity programmes.

Then there was the moratorium on interest rates for borrowers and the suspension of the NCLT resolution process. This was followed in October by the interest waiver and then a compensation of the difference between simple and compound interest rate accumulated on the waived loans.

So far so good. But before we get too carried away by all the optimism, here are some caveats. First, let's take a relook at the growth figures. While I do not want to undermine the success in pulling out of a recovery, let us not forget that even with these encouraging estimates for growth going forward, it will take us to pre-COVID levels – I must emphasize this – of GDP only by the end of 2021. The question is: what happens after that? Can we retain the momentum beyond this or will it be a situation in which successfully climb out of the depths of the COVID induced recession and then find ourselves in a low growth trap.

I must point out three things here. There are sceptics including some very well-known names in economic circles who claim that part of the bounce of that we saw during the festive season was merely a release of pent-up demand that was bottled up due to the lockdown that found release but will soon dry up. This is debatable.

There is another argument that a number of commentators point to. The Indian economy was beset by a number of problems on the eve of the pandemic. Let me remind you that the economic growth and come down to a level of 3.1 per cent in the January -March quarter of 2020, the last pre-COVID quarter after a period of continuous decline.

- A number of problems labelled both cyclical and structural had been identified to explain this.
- There was for instance, the claim that the so-called "twin balance sheet" problems – unsustainably high corporate balance sheets and high fiscal deficits had not been resolved and the bad loan cycle was far from over despite the new resolutions on .
- Employment growth had plateaued manifesting in jobless growth.
- The GSTwas too burdensome especially on small companies and needed a fundamental reset.
- Exports were stagnating

And so on so forth. The pandemic gave

us a more immediate challenge to meet and the government was forced to address this and temporarily ignore these chronic problems. However these problems have not gone way – in fact some of them have perhaps worsened. The RBI's July projections for instance show a worsening of NPAs of 8.5 to 12.5 per cent.

Then there is the problem of rising inflation and this is somewhat unique to the Indian case. Typically, a collapse in economic growth should lead to a fall in price pressures. After all a fall in growth means a fall in demand and that should pull prices down. However, inflation has picked up sharply and for the last three months it has been above 7 per cent. The RBI's mandated tolerance limit is 6 per cent. Moreover, inflation in non-food items have also started firming up with so called core inflation coming in at over 5 per cent. Globally commodity prices are rising and could keep inflation elevated even if food prices came down.

There are some riders to be followed in interpreting unemployment numbers. The unemployment rate is dependent on the number of people looking for a job (the labour force participation rate or LFPR). If people are too discouraged to look for a job, the unemployment rate declines.On 23 February, the labour participation rate stood at 43.2%, and fell to a low of 35.37% on 26 April, before rising to 39.54% on 15 November. While the rate is higher than in April, it is still lower than the pre-Covid levels.

The fact also is that the demand for MNREGA jobs outstrips supply. Our understanding of the informal and SME sector is limited. It is quite likely that job losses in those segments have been high and will continue to remain so going forward.

The biggest problem perhaps and one that will both guide and constrain our policies going forward is the fiscal deficit of the centre and states. While we have not given a large stimulus, the shortfall in tax and other receipts means that the fiscal deficit of the centre is likely to balloon to at least 6.5 per cent and the states to 4.5 per cent. The targets were 3.5 per cent and 3 per cent respectively. Any effort at rapid consolidation going forward could lead to a massive compression in expenditure and growth

Finally the evidence on past shocks to the global economy and the consequent economic slowdown tells us a few things.

a) Households tend to increase their savings as a precaution and this buffer of savings naturally affects consumer demand. Going forward this has to be factored into our prognosis of future demand. The pile-up in bank deposits or the increased preference for real estate
b) Periods of low growth – remember that our growth deceleration- started well before the pandemic especially in a situation when investment leaves us to the reduced capacity for the economy to grow. We have to be watchful about this decline in potential growth as we go beyond 2021.
c) Risk perception remains elevated across the board among households, companies, banks. This affects consumer spending, investment decisions and bank lending to take a few examples.

Let me now turn to some of global issues revolving around the pandemic and recovery. This likely trends are bound to affect India.

a) Localization – There is an apprehension that the pandemic will mark the end of globalized supply chains. A shock like the pandemic affects different economies differently. Going forward, as the world prepares for the risk of yet another shock (a climate event for instance a producer in Germany or the US say might not want to take the risk of having a critical supplier located in Brazil or Malaysia. He might be better off localizing his supply chains. This is the polar opposite of risk management through diversification -- it is risk management through concentration.

This ties in well with the broader agenda of "protectionism" that saw a rapid escalation in the Trump era is likely to stay. This could affect Indian exporters except those who are in products like ores and other primary products that have limited substitutes.

b) The China shift – for the last few years, there has been a perceptible decline in the dependence on China both as a production and global sourcing base. FDI inflows in dollar terms in 2019 grew by only 2 per cent to China but by 19 per cent to India. This has been driven both by political factors(the US-China trade war) and the risks associated with depending too heavily on a single, non-transparent and increasingly militarily aggressive country. India clearly stands to gain from this shift if it does the right things.

c) The surge of global liquidity or crudely put, money created by central banks (the equivalent of the RBI) will continue. Money will remain cheap and will flow into stock and bond markets. This is responsible for the apparent disconnection between the Sensex and fundamental domestic factors that many have been surprised by.

d) Many analysts predict that the decline in the dollar will continue both against first world currencies like the Euro and emerging world currencies like the rupee. So exporters, beware.

e) Then there is the hypothesis of a K-shaped recovery that suggests that the gains from recovery will lead to greater inequality – some sectors will surge(pharmaceuticals, IT) while others like hospitality and civil aviation will be left behind. More critically, people in higher paid jobs will gain both in terms of more employment and salary increases while those in lower paid jobs.

The most critical questions that we need to grapple with is the following.

- While we might have pulled out of the worst of the crisis without large fiscal intervention, can we sustain the recovery without it? Fiscal intervention is often confused with fiscal stimulus – of injecting demand into the economy. However, there is also the dimension of fiscal support – of helping companies survive through wage support, interest subvention, input subsidy. Many economists are arguing for cash transfers to the really needy, perhaps even an urban employment guarantee scheme for informal sector workers.

  Then there is the business of fiscal stimulus – of kickstarting large scale public works projects to revive growth both through mass employment and demand for inputs like demand and steel. How much can we relax the fiscal constraints that we have set for ourselves? Is our public debt really that unmanageable?

- How much more can we rely on the banking system and credit to sustain growth? Are we creating too much liquidity that is potentially inflationary as history shows us? If we direct credit too aggressively into the stressed sectors, how badly are we compromising the health of the financial system? What do exceedingly low short term interest rates ultimately result in?
- Then there are the inevitable questions of how much of regulatory forbearance and easing lending norms can we afford without sowing the seeds of yet another crisis. Lending norms for the housing sector have been diluted, moratoria have been granted and interest has been waived. While this was perhaps unavoidable, more of this can destroy the credit culture of our country.
- Finally how well will a strategy that is principally focused on import substitution serve us? Or should we slowly begin to refocus on the export market to gain market share? In this choice, where does the decision to protect certain industries fit in?

In terms of solutions, I have a few broad points to offer. I hope that in our subsequent Q&A and comments segments, more will come up.

- A Korean minister once told me –" if you want to grow a tree plant a seed." We have tried to grow our economic tree without planting the basic seeds of health care, primary education and other social services. I hope the pandemic finally wakes us up to the need to spend substantially more on health care at least. On this front, we cannot compromise and cite fiscal discipline and lack of funds as
- The same goes for education. I don't believe that online classes are any substitute for classroom education. However the pandemic has given digital education a degree of legitimacy and if modules are redesigned completely can at least provide some degree of education to those who cannot access it. We have to think of ways to give poorer children access to a device that enables them to access classes (may be pre-recorded) and work on improving internet penetration
- Privatization: I use this term loosely to describe everything from strategic sales of units, to secondary market disinvestment to asset monetization – sale of land, plant and machinery of PSU units. This is perhaps the only way by which money can be raised to slowly bridge the fiscal gap and bring in fresh money to pay for things like income support or infrastructure.
- Private capital: With the government likely to remain cash-strapped, the only hope is to draw in private capital both from domestic and foreign sources. A restructuring of IIFCL into a new kind of DFI (like the China Development Bank) will help in bringing in institutional money from pension funds and others but that alone will not do.
- The attraction of private capital

is intrinsically tied to the ability to reform and the ease of doing business. States can do a lot in areas like labour, agriculture, power sector reform, ease of clearance of proposals, infrastructure and industrial policy. Champion states like Telengana have shown the way. It needs to do more and other states needto follow the lead provided by the champion states. Each state needs to be nimble in grabbing investments much like what Vietnam has been doing in getting investments. We need many Vietnams in this country. While in many areas COLLABORATIVE federalism is needed especially in negotiating with the centre, there is also a need for a competitive Federal structure that should ultimately lead to some convergence of economic opportunities across the country. As I mentioned earlier there is surplus global capital floating around. Now is the time to seize the day.

- Overhaul of GST – Both the structure in terms of slabs, inclusion of goods and services and the implementation need to be reassessed and made much simpler. Otherwise the revenue buoyancy that was expected from this major shift in tax regime will never materialize.
- Speeding up the NCLT process – stressed assets need to change hands quickly and become performing assets again. Today the NCLT process is bogged down at different stages with far too many blocks and barriers. These need to be removed. I am for the idea of a bad bank – that temporarily houses stressed assets if it aids in the quick resale of these assets
- Banking — quick recapitalization of banks coupled with mergers, sales of unviable banks. There is a need to review the entire cooperative bank structure. I agree with the government and the RBI that we need for banks and more lending. I believe that deserving NBFCs should be given a chance.
- Embrace digitalization and automation but think of employment: Digitalization has brought in a revolution in diverse domains from finance to governance. Automation is a by-product of technological change and will define the way manufacturing evolves. Both are efficiency enhancing. The flipside is that they are labour displacing and might clash with our objective of creating employment post pandemic. We have to think of new sectors that are not highly skill intensive but can provide mass employment. Tourism and construction are examples.

I am not a pessimist although parts of this lecture might have suggested that.I like to think of myself as a cautious optimist. I believe that every crisis presents a plethora of opportunities. I just hope that we can take advantage of some of them.

**Chief Economist*
HDFC Bank

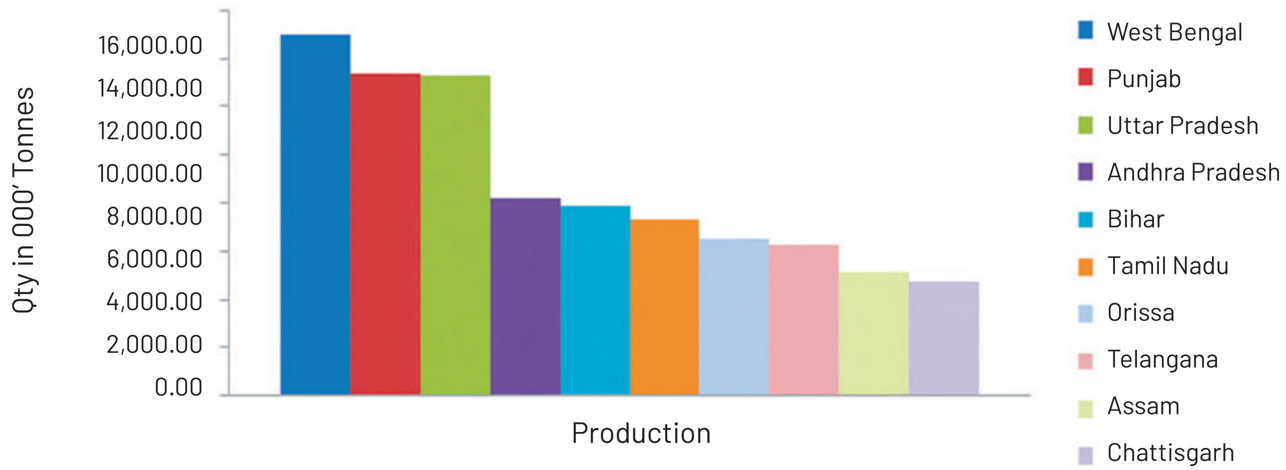
Rice Exports from Telangana:
Opportunities and Way Forward

Agriculture is the primary source of livelihood for about 58% of India's population. India's rice production has been going up steadily over the past several years. From around 96 million tonnes in 2010-11, rice production is seen touching a record 117.47 million tonnes in 2019-20, as per Second Advance Estimates.

The aim of government of India to double the farmers' income can be achieved by promotion of farm exports that helps not only earning precious foreign exchange but also gives good price for the farmer for his produce. The goal of attaining 'Aatmanirbhar Bharat' is realized only when the country achieves self-reliant agriculture.

Federation of Telangana Chambers of Commerce and Industry (FTCCI) is attempting to give its views on status, bottlenecks and steps required, if any, to improve the rice exports from

State wise Rice production in 2017-18



Telangana state on the request of Telangana State Planning Board, the report all the aspects. We have surveyed few exporters by taking their views on field and also asked to elaborate on challenges faced by them in exporting rice. FTCCI thank all the exporters who have given their inputs & supported in bringing out this report.

Rice production in Telangana:

Agriculture plays a pivotal role in the economy of Telangana and the better performance of this sector is vital for inclusive growth. There have been significant changes in the structure and performance of the agrarian economy in the state in the recent years. Telangana State is endowed with bountiful resources having good soils, diversified cropping pattern and major irrigation systems fed by rivers like Godavari and Krishna.

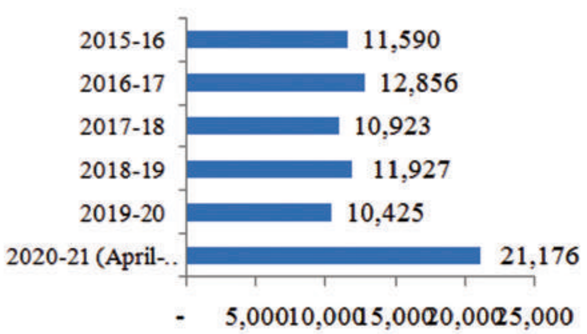
Telangana grows 27 important crops in Kharif and Rabi seasons put together covering an area of about 53.51 lakh ha. The important crops grown are Rice (14.19) lakh ha, Maize (6.63) lakh ha, Pulses (6.11) lakh ha, Groundnut (1.89) lakh ha, Cotton (18.13) lakh ha, Chillies (0.83) lakh ha and Sugarcane (0.41) lakh ha.

RICE EXPORTS IN INDIA:

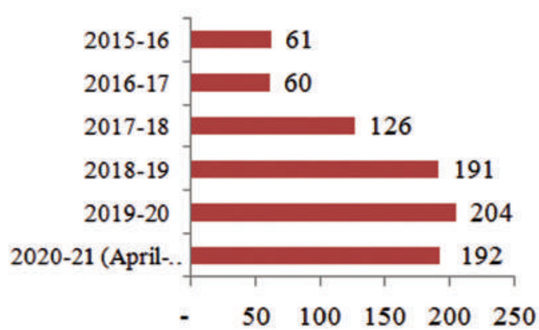
Total Rice Exports from India (in Million Tones)

RICE EXPORTS IN TELANGANA:

Non Basmati Rice (in Metric Tones)



Basmati Rice (in Metric Tones)



It can be seen that the export of basmati rice from Telangana State is negligible because the state do not cultivate basmati varieties as Basmati has Geographical Indication (GI).

Objectives of Study:

Telangana State is one of the major rice producing states in India, but the State's share in total rice exports of Non-basmati remained at less than 0.5% over last 5 years. There is a huge jump in food grains production in the State as the area under irrigation has increased.

The main objectives of this study on Rice Exports are to understand the issues and problems faced by the Rice Exporters in the State and recommend to the government, the measures to be taken to improve the exports of rice from the State

Challenges in Export of Rice from Telangana State

FTCCI interaction with rice exporters has threw light on various issues faced by them and removing/mitigating the challenges will lead to increase in rice exports from Telangana. The details are given below:

High Transportation Cost : Transporting the rice to designated port is costing the exporters and no concessions are offered by either CONCOR for railway freight or the State ICDs.

Terminal Handling Charges (THC): The state exporters are paying terminal handling charges twice where as the exporters from other states is either paying very low or zero charges. CONCOR is also charging extra for ICDs in Telangana.

Pesticides' Residue in Rice: It is complained by the exporters of Telangana State that the rice cultivated by the farmers are containing pesticide residue at a much higher level than the permitted levels as per guidelines of respective countries.

Arsenic Contamination of Ground Water: Paddy is cultivated extensively in Telangana state using ground water, incentivized by government by supplying power freely. Extensive use of groundwater increased the adverse impact of arsenic (As) exposure and it is expressed by the rice trader's and exporters.

Minimum Support Price for Paddy: It is informed that government is fixing the minimum support price (MSP) without taking into consideration the prices in international market making rice exports from India uncompetitive.

Challenges in Consignment Rejection: The major de-motivating factor for exporters to enter the exporting trade is that, they are facing with time taking procedure of obtaining various clearances and incurring huge expenses to get back their rejected consignment.

Lack of participation in International Exhibitions: There is no proactive approach to encourage exporters to procure rice from Telangana State by offering discounts / subsidies / schemes. Lack of promotional activities is also one of the reasons for exporters not coming to TS.

Infrastructure Facilities: The warehousing facilities need to be improved in the State and also small testing centers are to be set up in major towns across the State so that farmers/traders need not travel all the way to Hyderabad to get the samples tested.

Recommendations:

Telangana State is becoming one of the important paddy producers of India and in the recent years the rice production in the State has increased by more than 20% Y-O-Y. Telangana contributed to 63 per cent of Food Corporation of India (FCI)'s total paddy procurement across the country till date; a record of sorts for the farmers of the State. With increase in land under irrigation, the rice production is going to increase further in the coming years. But, it is necessary to improve quality, productivity, Modern milling capacity, better testing, storage and handling infrastructure to effectively market to other countries and also to provide better income to farmers.

The major recommendations include:

- It is suggested to give subsidy to rice exporters to make the price on par with other states'. If government insist on implementing MSP, it can follow Taiwan model – where in government buys paddy and auctions for the exporters to buy at market price.
- CONCOR subsidy scheme should be extended in ICDs of Telangana State.
- To build ICD nearer to people of Adilabad, Nizamabad, and Karimnagar. Two suitable locations for setting up ICD are identified – at Dichpally, Nizamabad District or Janakampet in Nizamabad District
- Government should organize awareness camps in every village on usage of pesticides and urea and also train and appoint volunteers for continuous monitoring.
- Quality Testing Labs are to be set up at major trading areas such as Nizamabad, Karimnagar and other rice growing areas.

Report prepared by FTCCI
Submitted to Telangana State Planning Board

Change or Perish: New Year New Resolutions in Business

CMA Bhogavalli Mallikarjuna Gupta

The new year is around the corner, and we normally come across resolutions adopted by the people for the beginning. Now the same has intruded into the business, especially from the GST perspective. It is the time for the business to take resolution and then take it forward else the entrepreneur cannot reach his goals. I strongly advocate is that Goods and Service Tax is a business process reform and not tax reform. It has forced the business to adapt to the new age of technology for return filing or rewrite the commercial contracts to meet the legal provisions or change the process of awarding contracts to vendors.

One of GST rollout's major features and advantages is the availability of seamless input tax credit across the supply chain. To provide ease of doing business, GST is rolled out based on self-assessment and self-declaration. Still,some sections of the taxpayers are misusing the privilege given by the Government, and as a result of it, we have seen the change in the registration process and availing input tax credit.

In the erstwhile tax regime, many frauds were happeningdue to fly-by-night operators; the Government was losing a lot of revenue. To address these issues, GST matching is introduced. Matching is not new to Indian Taxpayers. It was there in the erstwhile tax regime, Value Added Tax in some of the states like Karnataka, Andhra Pradesh, etc., Matching is introduced in the Central Goods and Service Tax Act 2017 while Section 42 and it is notified wide Notification No 9/2017 – Central Tax Dated 28th June 2017 with effective from 1st July 2017. Though GSTR – 2 and GSTR – 3 were deferred, GSTR – 3B has been introduced as an interim return. If we read the provisions of Section 42, then all the taxpayers have to do matching before claiming the input tax credit, and the process of matching is laid down in Section 69 of the CGST Rules 2017. To give a breather to the trade and industry, the provisional invoice matching concept is being introduced. The provisional credit of 20% is allowed from Oct 2019, and later it has been reduced to 10% from 1st January 2020, and now the same is being reduced to 5% from 1st January 2021.

The other change announced is the introduction of e-invoice. The initial plan was supposed to be rolled out from 1st April 2020 for taxpayers having turnover above Rs 100 crores, but the same has been postponed to 1st Oct 2020. The threshold limit of Rs 100 has been increased to Rs 500 crores on account of the pandemic like situation. The trade and industry were not prepared for the same, but the Government did not postpone further but has given a provision to generate IRN within 30 days from the date of issue of the tax invoice for the month of Oct 2020. The same is extended to taxpayers having turnover above Rs 100 crores from 1st January 2021. As per the Finance Secretary, the same is expected to apply to all the B2B transactions from 1st April 2021.

Changes have been made for the registration process; also, Aadhar authentication has been introduced, and now physical verification is also being made mandatory. In case of registration where aadhar authentication is not being provided, the applicant is required to go to the designated centers and submit biometrics and photographs.

Expect for the process of registration, for availing input tax credit and issue of e-invoice requires a change in the business process as well as in the Accounting/ERP software. Unlike the other tax laws, GST is more tech-related, and the adoption of technology saves the taxpayers from the huge cost of non-compliance costs.

Issue of e-invoices

From 1st of January 2020, the business has to issue e-invoice if their turnover is above Rs 100 crores in any of the preceding three years. Though it is required to be issued for B2B transactions and to specific supplies, it is worth to make the following changes in the business process

a) A separate series for the documents required to be issued for e-invoice

b) Identify all the vendors who are required to e-invoice and take an undertaking from them

c) Ensure that e-invoice is received before the release of the payment; else, we may end up losing Input Tax Credit

d) Store the e-invoice data in the Accounting/ERP for future reference

e) Train the teams for the importance and the consequences of non-compliance cost.

The taxpayers must do a cost-benefit analysis on implementing the e-invoice based on the number of invoices, connectivity, and business needs.

5% Provisional Credit

The taxpayers are eligible to take only 5% of the amount reflecting in GSTR-2A, and if the taxpayer wishes to avail this facility, the following has to implemented to avoid wrongly availing of ITC

a) Track the amount claimed on a provisional basis month on month by tagging specific invoices

b) Verify if the same invoices are reported in the subsequent month and claim only balance 5%

c) Follow up with vendors for filing of returns for every tax period

d) Reverse the input tax credit claimed if the supplier does not file the invoices

e) Make necessary changes to ERP/ Accounting software wherever required

If taxpayers do not wish to availthis facility and claim 100% as per GSTR -2A/2B,it is recommended to pass accounting entries only when credit is taken until then, park it in an interim account.Parking in an interim account gives the taxpayer proper control and visibility on the outstanding input tax credit to be claimed.

Quarterly Return Monthly Payment of Taxes (QRMP)

To provide ease of doing business, the QRMP scheme is launched, and taxpayers having turnover up to Rs 5 crores can file returns quarterly. This will ease the small taxpayers' complianceand increase the cash outflow as the small taxpayers can opt for the quarterly filing.

To avoid any additional cash outflows, the large taxpayers should support the small players and release the tax amount at first; this will ensure that the small taxpayers will be not opting for the QRMP as it is likely to increase the compliance cost for the small taxpayers.

The large taxpayers should identify all such small taxpayers, take them into confidence and help with their cash flows. This would increase the workload to some extent to large taxpayers, but they can automate the same. Most ERPs have the facility to run payments in batch processing and components like only tax or the basic amount or the basic amount plus tax. Automation will ensure that things will not go wrong and, at the same time, ensure to be 100% tax compliant and take part proudly in the Atmanirbhar Bharat.

Returns Filing Process

There will be an impact on the return filing process also for both the small and large taxpayers. In the case of large taxpayers, where they have inward supplies from large taxpayers, they can import the data of e-invoices directly into their GSTR – 1. If they are using any ASP/GSP solution or automation for GST Return filing, this point must be considered and addressed accordingly.

In the case of small taxpayers, they can file returns quarterly, but payments have to be made monthly. The small taxpayers can upload the invoices in the new facility called Invoice Furnishing Facility (IFF), and the data uploaded in LFF will be automatically updated to GSTR – 1.

Another change for the taxpayers who have opted for the QRMP scheme is related to payment of taxes; a proper decision must be taken to optimize the cashflows. The taxpayers can make 35% of the payment in the first two months of the quarter based on the previous quarter or pay the tax liability after availing of the input tax credit. If the taxpayer has to avail input tax credit and then determine the output liability, it will save his cash outflows and, at the same time, enable his customers to take the input tax credit on his invoices. This process will increase the taxpayers' workload but keepinggiven the cash flow; it should be adopted.

Matching is mandatory now, and the option the taxpayers have is to avail the input tax credit on a provisional basis or after matching. The taxpayers have to take a judicious call after doing the cost-benefit analysis on the return filing process's complexity with cash outflows.

Large taxpayers can evaluate the process of outsourcing their payables functionality or use Robotic Process Automation (RPA), as it will minimize the error of data entry and will ensure the matching of Purchase Register with GSTR – 2A/2B with ease. Automation of activities saves time and improves accuracy.

e-waybill

e-waybills were introduced as an anti-tax evasion under GST. With the rollout of e-invoice, the e-waybill be generated while creating the IRN only. The taxpayers who are required to generate e-invoice can no longer generate the same from the e-waybill portal.

Large taxpayers who are using API access for the generation of e-waybills have to revisit their Accounting/ERP as this is no longer allowed for the B2B invoices, but for B2C documents, it is still required. The changes have to be made accordingly. Even the taxpayers in the future cannot import the e-waybill data while filing GSTR – 1 with the rollout of e-invoice.

CONCLUSION

The recent changes announced by the Government in GST are applicable from 1st January 2021, will impact the business process or the various software being used in the organization. The changes in the GST provisions should be used as a mechanism to improvise the business process. This will help in avoiding the cost of no-compliance and, at the same time, improve operational efficiency. If the business processes are not changed based on the changes in legal provisions, it will create many challenges at the time of claiming ITC or computing Tax Liability or while preparing the GST Returns. These will increase the cost of compliance and will unnecessarily attract the tax official's attention. With the ever-changing provisions in the GST, it is necessary to work in as a team rather than in silos as it impacts various transaction processing areas. No individual in the organization has insights into the functions of all the departments. The management and the tax professionals have to make a resolution to work in teams and carry out the impact analysis on the business process whenever there is a change in the GST provisions.

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GST & Management Consultant

NOMINATIONS ARE INVITED

District Level Exports Promotion Committee (DLEPC) in all the districts of Telangana

In order to convert each District into an Export hub, Govt. of Telangana is constituting District Level Exports Promotion Committee (DLEPC) in all the districts of Telangana.

The objective of the DLEPC is to identify the export potential of each district and convert each district into a potential export hub towards " One District One Product (ODOP)," an initiative to identify the potential products in the district that can fuel economic growth and generate the employment and rural entrepreneurship as envisaged by the Government.

The respective District Collectors will chair the DLEPC.

Interested members may indicate their willingness in representing FTCCI on the DLEPC **(with name of District interested)**

e-mail secretariat@ftcci.in along with a brief bio-data.

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Requires Accounts Manager

The candidate should be C.A with 10 years experience or M.Com with 20 years experience. He should be thorough with Finance, Accounts and Admn functions.

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हिन्दी मिलाप

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ओमप्रकाश टिबरेवाला स्मृति व्याख्यान संपन्न

विवाद से विश्वास योजना का लाभ 31 दिसंबर तक

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ओपी टिबरेवाला स्मारक व्याख्यान 18 को

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కోలుకుంటున్న ఆర్థిక వ్యవస్థ

హెచ్‌డీఎఫ్‌సీ ఎగ్జిక్యూటివ్ వైస్ ప్రెసిడెంట్ అభిక్ బారువా

हैदराबाद, नमस्ते तెలంగాణ: దేశ ఆర్థిక వ్యవస్థ కోలుకుంటున్నదని, వచ్చే సంవత్సరం పరిస్థితి మెరుగుపడుతుందని హెచ్‌డీఎఫ్‌సీ చీఫ్ ఎకనమిస్ట్, ఎగ్జిక్యూటివ్ వైస్ ప్రెసిడెంట్ అభిక్ బారువా అన్నారు. దేశం లక్ష్యంగా నిర్దేశించుకున్న 5 ట్రిలియన్ డాలర్ల ఏకానమీ సాధ్యమవుతుందని ... వారం ఎఫ్‌టీసీసీఐ ఆధ్వర్యంలో ఓం ప్రకాశ్ టిబ్రివాలా మెమోరియల్ ఎండోమెంట్ లెక్చర్ సందర్భంగా రిటౌండింగ్ ఇండియన్ ఎకనమీ ...

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