

TRAIN OF THOUGHT



If you cannot manage inventory, real estate, employees and logistics, you cannot handle retail.

— **Punit Agarwal,**
Promart, CEO, Promart
Retail India Pvt. Ltd

In an interview with Business Standard about the problem areas in managing discount chains.



It is disappointing that the government failed to highlight issues like policy transparency, investments in IT infrastructure and logistics in supply chain which is currently the need of the hour.

— **Vijay Bobba,**
MD & CEO,
PAYBACK India,
on the Annual Budget, as told
to MoneyControl.com



The Govt's proposals to modernize 100 railway stations through PPP mode and setting up a Logistics Corporation are steps in the right direction.

— **Hemant Kanoria,**
chairman & MD, Srei
presents his views to Hindu
Business Line on government's
proposal to modernize 19,000
km of route length that carries
80 pc of total rail traffic.



Automation is scale-led. You need scale to automate. Till we hit scale at the various nodes and the links, I think we will struggle with the question of penetration of automation.

— **Jaldeep Sodhi, ED,**
Avalon Consulting,
speaks about the future of
supply chain in India at LW
Supply Chain 2.0 Summit.

BUDGET 2012:

Old Wine, Old Bottle

LOG.India spoke to industry people to understand the impact of the Union Budget on supply chain and logistics.

The Union Budget 2012-13 has been received with mixed emotions by the logistics and supply chain industry. The certainty of the arrival of GST in August 2012 appears to have got the industry excited as well as relieved.

Mahendra Kumar Agarwal, Founder and CEO, Gati Ltd, says, "The roll out of GST in a definite time frame reduces the long-term effect of taxes and eliminates boundaries for the supply chain industry." This is expected to lead to setting up more optimal supply chains and the efficiencies accrued would lead to increased savings for end consumers.

However, Arvind Ambo,

The roll out of GST in a definite time frame reduces the long-term effect of taxes and eliminates boundaries for the supply chain industry.

Vice-President and Head Business Expansion, Credence Logistics, warns, "The increase in excise duty and service tax will lead to immediate increase in prices of day-to-day items. This will definitely be a huge dampener of sentiments and will have a direct negative impact on demand."

Popularly termed by most industry people as a status quo budget, with no populist

schemes or reforms, a spokesperson at Frost & Sullivan, says, "the government's lack of initiative on FDI in multi-brand retail will only postpone our chances in terms of foreign capital inflow." However, simultaneously, a boost for supply-chain is the move to increase spending on warehousing as this will help the real estate sector and also help companies expand into more cities and towns.

Highlights

- Service tax raised from 10 percent to 12 percent.
- Excise duty raised from 10 percent to 12 percent.
- ₹20,000 crore to be spent on rural infrastructure development; including ₹5,000 crore for creating warehousing facilities.
- A decrease in withholding tax from 20% to 5% on interest payments on external commercial borrowings for roads and highways.
- GST network to be operational by August 2012.
- Full exemption from basic customs duty for equipment for road and highway construction.
- Withholding tax on power, airlines, road and bridges, ports and shipyard, fertilizers, dams and affordable houses lowered to 5 pc from 20 pc for 3 years.
- Govt to create PDS through Aadhaar platform by Dec to realize objective of Food Security Bill.
- Computerization of the Public Distribution System to be executed.
- Food Security Act will be fully provided for and subsidy to be 2 percent of GDP for next two years.