TRANSTOPICS

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Writing Letters!

Is that enough to rattle this government?

Let's make the right noise

Fuel prices in the country have reached astonishing levels and the government seems very happy to collect all the extra taxes on fuel, which has not become the easiest way for the government to fill its coffers. Having said that, it also very unfortunate that there is no lobby or opposition in the counter, that can counter the policies of the government. While this may not be a dictatorship, we may seem to be on the borderline of the same – atleast as far as implementation of policies are concerned. A few examples of the high handedness of the government are demonetisation, GST, farm laws, etc. And another one that would soon hit the road transport industry is scrappage policy. The industry seems to be waiting for the government to roll out the scrappage policy, before it can think about the pros and cons of the same. Unfortunately while the government has had dialogues with automobile manufacturers on the scrappage policy, the largest segment to be impacted by the policy i.e. the transport industry, has not even been asked to submit their suggestions or concerns. And we are certain that whenever the policy will be rolled and in whatever shape, there will be hara-kiri in the industry.

For some reason, the road transport industry has not found a way to lobby – not just with this government, but with any other government in the past. The only silver lining about the past is that the transport industry would engage in a healthy dialogue with the Transport Minister and other officials at MoRTH. Currently the industry is kept at an arms distance, or even more, by the Transport Minister and the industry has to be content with meeting other officials at MoRTH. While the Transport Minister is tight lipped about why he is ignoring the transport industry, although he is meeting various other industries and segments, the transport industry too is not bothered to open channels of dialogue with Nitin Gadkari. And the fact that the President of the apex body representing 1.94 crore truckers, buses, tourist taxi and maxi cab operators (as it claims) is not in the country is not helping things. It would be so graceful if the President would have stepped down in the larger interest of the industry and handed the office to someone who would be around to knock on the corridors of the Ministry and seek a meeting with Nitin Gadkari.

With the Budget round the corner, the transport industry is expecting some relief from the government, especially in issues related to the Income Tax Act, TDS and GST on commercial vehicles and other components. However we have been informed that during an interaction with the Finance Minister, Ms Nirmala Seetharaman categorically stated that any recommendation related to the industry has to

The transporters will have to think beyond letters to get the government's attention, and before you jump of your chair, we are not hinting at any kind of strike. In fact there are already hints that a nation wide transporters strike is being planned by the apex body and the same will be executed once the President comes back to India.

come through the Nodal Ministry – in our case MoRTH. So here we in a very peculiar situation! With the Transport Minister not meeting the transport industry, how exactly does the industry plan to get the attention of the Finance Minister? We should very well know that the Finance Ministry would be getting thousands of letters every day. How would the letter written by transport associations get the attention of the Finance Minister or any senior official in the Finance Ministry?

At the moment we are simply writing letters with a hope that something good comes our way. But considering the lack of a strong lobby, it seems very unlikely that our letters would be taken seriously. One of the reasons for our letters not getting due attention is because we have too many organisations writing letters on the same subject, which at times have contrary demands. In contrast to this, look at other industry organisations that represent their respective segments. For example the automobile segment is represented by one apex body (SIAM), the automobile dealer fraternity is represented by one apex body (FADA) and the automobile component industry too is represented by one apex body (ACMA). In case of the transport industry, if we give a call out to the apex body, we would have multiple hands going up. What makes matters worse from an industry point of view is that these multiple organisations do not sit together to come up with a common policy that would benefit the industry on the whole. When was the last time that these organisations discussed common issues that are hampering the

For some reason, the road transport industry has not found a way to lobby – not just with this government, but with any other government in the past. The only silver lining about the past is that the transport industry would engage in a healthy dialogue with the Transport Minister and other officials at MoRTH.

industry?

There are so many common issues that affect every segment and faction of the industry – for example fuel prices, GST, EWay Bill, corruption and many more. But every association is taking its own stand and nothing makes the government happier than this. The Ministry knows very well that they can get away without even bothering to acknowledge the demands / requests of the industry. Forget that, the Ministry did not even acknowledge the good work done by the industry during the lockdown. Even now the massive vaccine distribution cannot move an inch without active participation of the road transport industry. But is there any mention of the road transport industry anywhere? The government is providing vaccines initially to the frontline workers viz: doctors, policemen, sanitary staff, etc. Do the truck drivers not qualify as frontline workers? The government categorised the above people as Corona Warriors for their contribution. But what about the contribution of the truck drivers as well as the transport industry on the whole for making sure that food and essential supplies reached every home across the country? Did the government, even once, acknowledge the contribution of the road transport industry? And did we do anything to get the attention of the government? But yet, we did announce a one day strike to support the farmers. How about supporting your own house first before getting into other's land! It's sad that some people are using association banners to get personal media attention.

Having said that the transporters will have to think beyond letters to get the government's attention, and before you jump of your chair, we are not hinting at any kind of strike. In fact there are already hints that a nation wide transporters strike is being planned by the apex body and the same will be executed once the President comes back to India. Seeing the way the farmers' agitation is being handled, I would suggest that transporters should think till eternity before executing any similar. Also, we have a tradition where one association declares a strike and 2 more declare that they are not on strike. With a fragile unity, strike should not even be an option. But yes, we have to make ourselves heard. And what better way than to use the horns of our trucks! AIMTC claims to represent 1.84 crore truckers and other operators. Imagine the sound if even half of these vehicles honked at a pre-decided time – everyday - till the time the government doesn't decide to meet the transporters. Given the attitude of the government, I am not even saying accepting the demands of the industry. I am merely saying 'Meet the Transport Industry'. The demand should be simple - a joint meeting with the Prime Minister and Transport Minister. We can prepare a long list of demands – but what's the point if no one is even going to look at it. We may write letters to the Prime Minister or Transport Minister, but it is pointless if they are not going to read it. Therefore, we believe that the single point agenda should be to get an appointment with the above 2 gentlemen who have the office and power to solve many of our issues with the stroke of a pen. Also, all associations should brain storm together and prepare a proper presentation that would make things easier for the government to understand. I don't think, considering the huge amount of force that we have, coming up with a concrete and concise presentation would be a challenge. The only challenge is getting to meet the Prime Minister and Transport Minister.

We keep claiming that we are the backbone and lifeline of the economy, and rightly so. However we have to get the government to concur with us and work in partnership with the transport industry to get a more efficient transportation system that is economical and free from roadblocks & corruption. Can we make the right noise to get the attention of the government, or will we look at an agitation that only gets the attention of the Media!

Will you join the strike call by AIMTC? Message on 9958474000 with Yes or No.

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Corona Warriors On The Move
Kool-Ex
Makes The Industry Proud

It is not without a valid reason that the road transport industry is called the Lifeline of the Economy. Even when the lockdown started, the truck drivers kept the nation moving – making sure that essential supplies and medicines moved across the country. While there was no acknowledgement for the truck drivers, they continued their job relentlesslydespite all the challenges on the highways.

While the country and the economy are getting back to normal, the one thing that everyone is waiting for is the Vaccine for COVID-19. Once again, the government had no one to look up to except the road transport industry to make sure that the vaccines reach every nook and corner of the country. And once again, the road transport industry stood up to the task and is making sure that vaccines reach on schedule and in a temperature controlled environment to make sure that the vaccines are effective.

One such company that has always been ahead of times in the refrigerated segment is Kool-Ex.

Started by Late Mr Subhash Chander Agarwal and his two sons Rahul & Kunal the company focused on Pharma Logistics by providing containerized services to the Pharma Industry. The company was providing Full Load as well as Parcel Load. Over the years, the company diversified into cold chain services in 2012, which also led to the transformation of Kool-Ex.

On advice of Pharma Industry captains, Kool-Ex put a special focus to handling temperature controlled transport and warehousing needs for the Pharma industry. Apart from providing FTL cold chain services to Pharma industry the company also started providing part load cold chain to the clients which was welcomed with great enthusiasm. Kool-Ex has been efficiently transporting vaccines and high end medicines that require temperature controlled handling.

Kool-Ex is transporting vaccines and high end medicines that require accurate temperature control.

In 2018, Kool-Ex was given a special financing option and credit by Tata Motors group to expand its fleet with minimal ease and the company has over 300+ refrigerated trucks now. At the same time, Kool-Ex also entered into an advertising deal with Bridgestone Tyres, wherein Kool-Ex provided tires in exchange of advertising their name on the trucks.

Moving time sensitive and temperature sensitive consignments is nothing new for Kool-Ex. In 2019, the company also moved COVID Test Kits, which were regulated at Minus 18 degrees C to neighboring countries on behalf of the Government of India

Kool-Ex has been growing rapidly since its inception and has been diversifying in allied fields. In 2020, Kool-Ex entered into a deal with IndoSpace Realty, which agreed to invest into the company's startup Kool-ex Warehousing to build 11 pharma fulfillment centers which would have multiple temperature chambers and would each hold 42,000 pallet positions. The ground breaking ceremony of the 1st warehouse has already happened on 4th Jan 2021.

At the moment, Kool-Ex has emerged as the lead player to carry COVID Vaccines from all manufacturers to government depots. And for SERUM, Kool-Ex is the most preferred vendor for all road movement as well as ground logistics for all air movements – to and fro from all airports in India.

Kool-Ex has also developed a portable passive storage solution with Tessol to make it easier for all pharma companies to use these solutions & maintain an unbroken cold chain in their last mile distribution

Kool-Ex is also trying to get orders for secondary and last mile distribution of vaccines from all government depots.

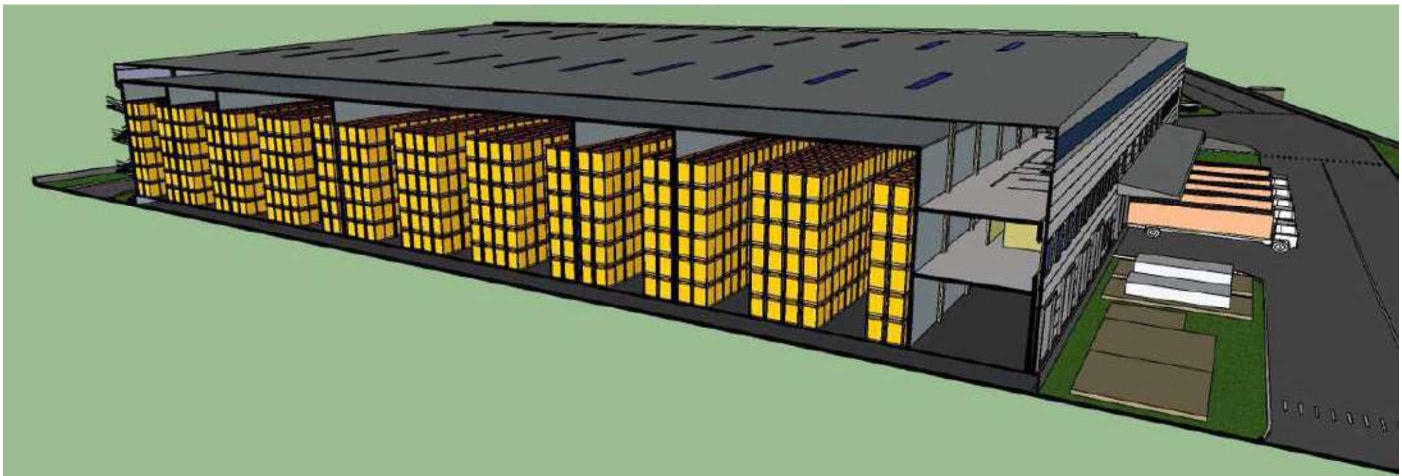
Kool-Ex is making sure that all its trucks are well maintained and have no glitches while transporting these sensitive vaccines. All the trucks are GPS enabled and come with temperature monitors and door sensors which helps the company to live track the temperature to prevent any excursions in temp and have a range to go from -25 to +25 degrees C enabling it to carry a wide range of vaccines and pharma products.

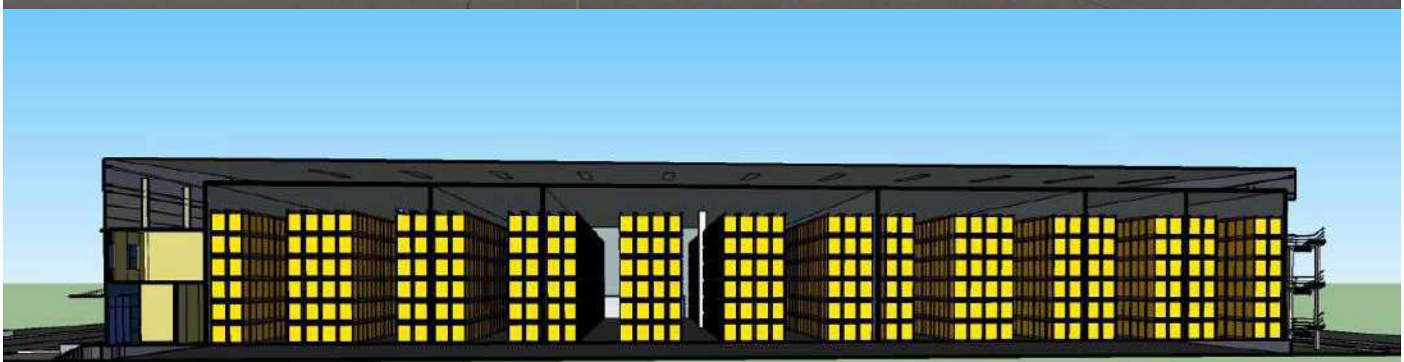
For the last few weeks, the entire team of Kool-Ex, led by Rahul and Kunal have been on their toes to make sure that the entire movement of vaccines happens smoothly, timely and efficiently. The drivers, needless to say, are well trained to carry out the challenging task and they are without doubt our Highway Warriors – not just making the company proud, but standing tall for the entire road transport industry.

Warehouse Concept by

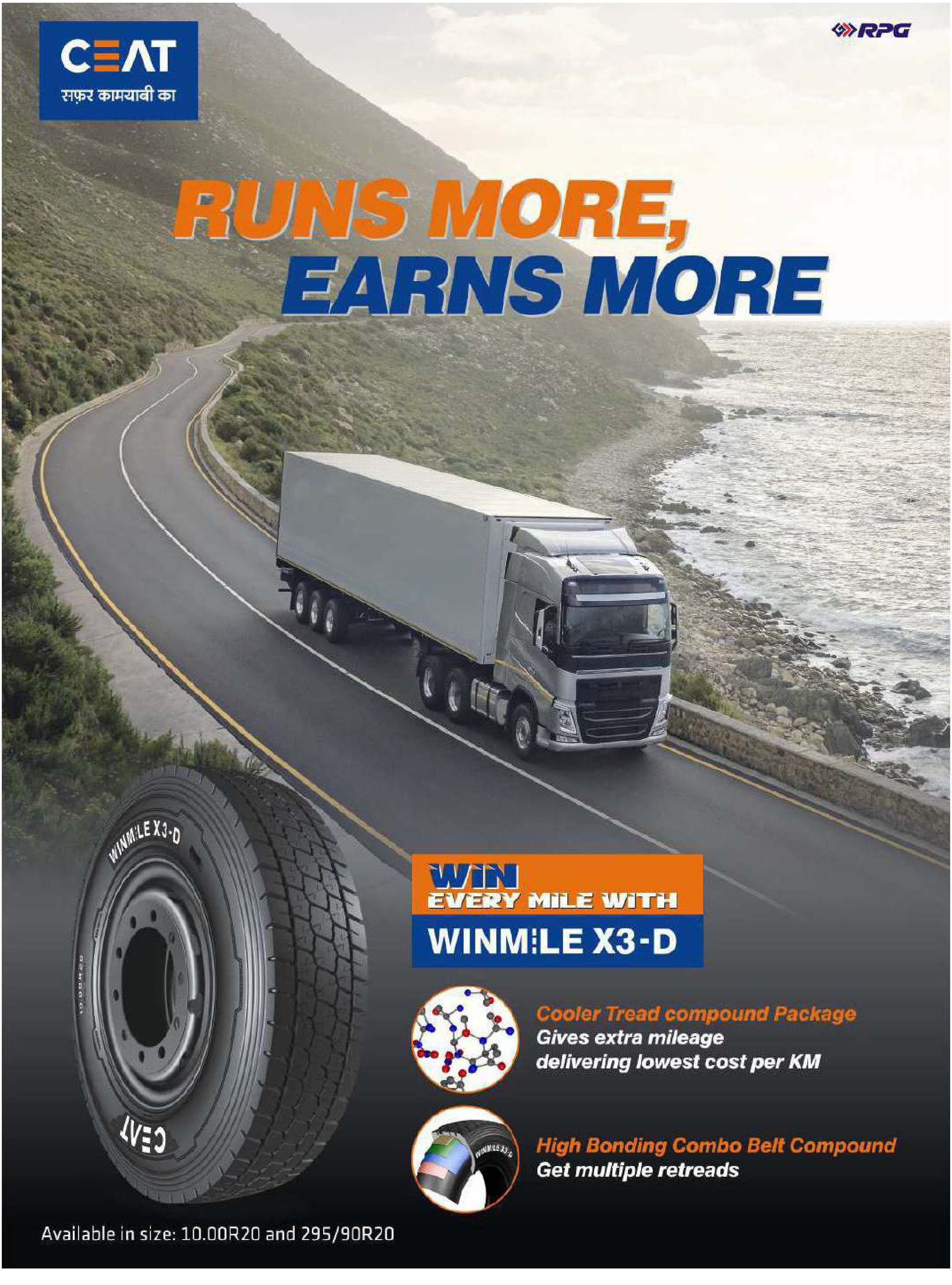
kool-ex

integrated cold chain solutions





The Future of Indian Warehousing, Designed & Coming Soon by Kool-Ex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AIMTC Submits Pre - Budget Demands To Finance Minister

S K Mittal
Chairman, AIMTC

Suggestions for Budget 2021-22 regarding changes in direct & indirect taxes

Section: 44AE

Request: Amendment of Section 44AE of IT Act

Prevailing Rate: Presumptive income Rs 1,000 per ton on GVW per truck per month

Requested Rate: Rs 300 per ton per truck per month on laden weight only

Justification:

The scheme of section 44AE of IT ACT is designed to give relief to small assessees engaged in the business of goods carriage owning not more than 10 vehicles. Earlier the presumptive income was computed at the rate of Rs. 7,500 per goods vehicle per month for non book keeping truck owners. Such operators constitute nearly 85% of the total population of heavy commercial vehicles in the Country.

The amendment of section – 44AE through the Finance Bill 2018, provides that a taxpayer who owns not more than 10 Goods Carriage and is engaged in the business of plying, hiring or leasing of Goods Carriage, his income would be deemed as follows in case of non production of books of accounts:-

Heavy Goods Vehicle (More than 12 MT – Gross Weight Vehicle) – Rs. 1,000 per ton "gross vehicle weight or unladen weight" per vehicle per month (Budget 2018 Amendment, applicable from Financial Year 2018-19 onwards). The calculation invariably is on GVW that includes un-laden and laden weight , i.e cargo weight with the tare weight of vehicle to be put in simple terms.

- On the real front, the vehicle is not running 24X7.
- More than 80 to 85% of the trucking population in India constitutes having one to ten truck owners.
- Further, the vehicles are under utilized being an over supplied market, infrastructure issues, detention at customer end due to commercial

issues, etc.

The above amendment has resulted in huge tax incidence for small transport operators. which is hitting the backbone of the transport industry. The tax incidence is much more than actual income itself. For example, a vehicle registered for 55 tons gross vehicle weight was considered income of 7,500 x 12= Rs. 90,000/- p.a. which has now increased manifold to 55 x 12 x 1000 = Rs.6,60,000/- resulting in an increase of 633%.

The provisions provide for lower income also against production of books of accounts by the truck owner. But it is important to note that such small operators are neither educated to the desired level nor equipped and are in a habit of not maintaining proper books of accounts since past so many years.

As such the existing provision has hit hard the entire trucking industry and owners are finding it impossible to continue with the operations any further, which in turn is leading to unemployment & many other consequential social evils.

The transport industry is in dire straits and disastrous consequences may follow with spiral hike in NPAs related to the transport sector. On the contrary, the freight income per vehicle has decreased over the years.

Every year business is down by 20%. In a year about 60 days are wasted for loading / unloading at Consignor / Consignee end. It is valid for PSUs also. This is apart from festival holidays for which Presumptive Income is charged.

We submit that the ASSUMPTION OF INCOME ON GVW IS MISPLACED AND FLAWED as Gross Vehicle Weight (GVW) encompasses both laden and unladen weight. A truck owner receives revenue only on the net weight of goods carried i.e., laden weight only and not GVW (unladen + laden weight). Therefore applying income to GVW is not justified. Instead of Rs. 1000/- per ton on GVW, it is need of the hour to restrict deemed income to maximum Rs.300/- per ton per truck per month on laden weight only.

Section: 194N

Request: TDS on cash withdrawal from banks

Prevailing Rate: 2%

Requested Rate: ZERO

Justification:

The Road Transport should be explicitly defined in the National Transport Policy and / or Carrier ACT 2007 as a “Specific Segment” or as an “Essential Services Provider”. This was principally agreed in 2009 and Rs 35000 cash for transport per day was allowed under section 40A (3A) of the Income Tax Act and it is continuing till day.

Road Transport operations are 24 x 7 Approx. 95% of the freight revenue forms truck operating cost. Truck operating expenses are made through driver on road. Majority of drivers are with poor literacy level and as such are not confident with ATM operations. RTGS/NEFT banking transactions are not available 24 x 7 on real time basis. Driver receives advance once the vehicle duly loaded is ready for dispatch. Any delay in receipt of funds directly halt the truck movement leading to transit delays and undue disputes with commercial implications.

Fuel stations are not equipped with infrastructure and staff round the clock for digital transactions. Highway user fee is collected in cash by National/State Highways. Road side dhabas, mechanics , tyre puncture shops , workshops are not equipped for digital transactions.

As such the provisions of Section 194 N imposing 2% TDS on cash withdrawal from Banks for road transport industry has acted as a night mare putting the wheels of Nation to a grinding halt and also hitting the cash flow in a already cash starved sector. Ministry may think of such harsh provisions once the Nation have a robust infrastructure ensuring:

1. 24 x 7 seamless internet connectivity at good speed.
2. Zero bank charges on digital transactions.
3. 24 x 7 RTGS/NEFT banking transactions on real time basis.

As trucks move even to the remote locations, it will require that all commercial establishments throughout the Nation even in remote areas whether small, medium or large are equipped with manpower as well as infrastructure for digital transactions throughout their working hours.

Considering it as a Specific Segment as done for APMCs, It is therefore required that Road transport sector be exempted from the provisions of Section 194 N.

Request: Exemption of GST on Insurance for Commercial Vehicles

Prevailing Rate: 18 / 12%

Requested Rate: ZERO

Justification:

About 85% of trucking population is not woning more than 10 trucks and it is going through very tough times and finding it hard to sustain. The mandatory Third Party Premium on Heavy Goods Vehicles has been abnormally increased over past few years and is touching the skyline though the category-wise share of accidents from trucks as per Ministry's data is far less.

No input tax credit for GST is claimed by majority of Truck Operators. Data reveals that majority of privately owned 2/3/4 wheelers are not getting the insurance renewed. It is earnestly requested to save the road transport sector – the essential services provider - by easing a bit of its financial burden and this request of exempting Commercial Vehicles insurance premium from GST should be considered judiciously and sympathetically to pass on the relief to a large chunk of society.

Request: Reduction of GST on retreaded tyres

Prevailing Rate: 18%

Requested Rate: 5%

Justification:

The retreading of Tyres is mostly used by trucker who cannot purchase the new Tyres because of high cost and retreading of tyres is mainly job work not the manufacturing of new Tyre. Rubber being major raw material for tyres, it is in interest of the environment that use of retreaded tyres be promoted by making it economical to the extent possible.

No Input Tax Credit is availed by the majority of trucking population. Tyre retreaders are small scale units.

Condition of roads has improved a lot in past few years and also with harsh provisions on overloading of trucks subsequent to recent amendment to the Motor Vehicle Act this year, trucks can deliver good service with retreaded tyres also.

Therefore, it is desired that the GST on retreated tyres should be exempted or restricted to maximum 5%.

The commercial vehicles are not luxury vehicles. They are in the service [24 X 7] for the Nation's, industrial and economic development and are an essential services provider to the common man across the length and breadth of the country.

At present the trucking sector are worst impacted due to economic slow-down, rising operational cost and dwindling freights.

In order to make their operations sustainable it is earnestly desired that sincere efforts be made to cut down their input costs and we hope that needful will be done through your august office.

Some Reactions To Our Editorials

Dear Girish,

Although all the issues of Transtopics are praiseworthy, yet this one (Feb 07) is extraordinary. I have immensely liked your lead Article " Mind your own business ".

The venerable Leaders of Transport Associations have been also telling me " Mind your own business ", they cannot do anything for the innumerable ills which have afflicted or almost crippled our business.

I have to resign to this adage: "what can not be cured is got to be endured".

Ahem ! Please keep up the good work !

- Y. P. Jain

Girish bhai...

You floored me with the brutal analysis. Didn't expect the sucker punch (sorry, James Hadley Chase, for stealing your title of the 1970s pulp fiction!) you delivered to Kultaran. Must Read.

I reiterate that I read TT only for your editorials!

I again say the future of road transportation is bright. Not the future of many stakeholders.

Girishbhai, it's time for you to examine the utility (or futility) of other lobbies also.

- Ramesh Kumar

Our "TransportMitra" Girishbabu not for the first time has whacked his constituency.

Mind your own business should be replaced by mind your industry mindset, he advocates.

Right? I disagree.

First set your own house in order. If each one of us mind our own business and operate efficiently, that would automatically lead to better industry climate.

Lobbies are inefficiently run transport segment. Look at FICCI, Assocham, CII. They are also lobbies representing their interests. There is *less* politics in their chambers. More efficiently run by a well oiled secretariat. President is a figure head. Secretary general and top notch advisors steer the lobby. Greater maturity.

Members don't indulge in stupidity publicly. They don't trade abuses on social media. Look at TCI Vineet Agarwal. The new president of Assocham. Watch him over the next two years of his presidency. Watch his utterances. He will say what the secretariat (read collective decision arrived through various committee and via consensus) wants him to say.

Contrast that with transport lobbies. Less said the better. Look at transport lobbies overseas. Examine how they function.

It's a shame the Indian transport minister never bothered to meet the lobbies. Who is to be blamed? The minister? Certainly not.

Disagree with Girishbabu that rail will eat into or finish off road transport - No. The future of road tpt is bright. The players will be different. More mature. Less letter writers, more operational efficiency-seekers via greater tech adoption. Like it or not, start up disruptors are here to stay.

- Ramesh Kumar

Nice provocative editorial. Hardhitting.

Like the nice ,bright refreshing makeover of Red and white format of presentation of the article.

- Shyam Maller

Girishji, Heartiest congratulations for taking the issue in your editorial but how we can motivate our family members who are only worried for their position to keep themselves in light leaving no space for the young people to join the group

- Ishwar Goel

FADA's Pre-Budget Note To The Finance Minister

Vinkesh Gulati,
President - FADA

1- Introduce benefits of claiming depreciation on vehicles for Individuals paying Income Tax

As per the media reports, approximately over 5.65 cr individuals (4.18% of total population) filed their IT Return during AY 2018-19. Of this, only 2.7 crore individuals paid Income Tax.

To boost vehicle demand during such extra-ordinary times, we request that Government should also allow individuals to account for depreciation. This will not only help in increasing the number of individuals filing their IT return but will also help in igniting automobile demand from individuals and will thus up the GST collection for the government.

2- Depreciation rate for vehicles

· FADA is thankful to the government for increasing the depreciation rate for all types of vehicles purchased before 31st March 2020 as a temporary measure to revive growth. To boost vehicle demand further, we request that Depreciation Scheme which was valid till 31st March'20 be extended for FY 2021.

3- Reduction of Corporate Tax for Proprietary & Partnership Firms

· The government in its last budget has reduced corporate tax to 25% for private limited companies with turnover of up to Rs.400 crores. The same benefit should also be extended to all Proprietary and Partnership firms as most traders within the auto dealership community fall in this category. This will help boost morale and sentiment of the traders which employ 5 Mn people, out of which 2.5 million employees are on direct employment. The auto trading community is its truest sense are the employment generating mechanism for the country as we do not displace employees and give them employment in their home locations!

4- Auto Dealers should be kept out of annual TCS of .1%

The Finance Bill 2020 has introduced TCS of .1% to be charged annually w.e.f October 1, 2020 in case:

1. All transactions between vehicle manufacturer & dealers is above Rs 50 lakhs annually

2. All transactions between dealer and a customer in a year cumulatively amounts to Rs 50 lakh

This would lead to huge financial burden on the automobile retail industry by way of working capital getting stuck till refunds are got from the department. It will affect demand as vehicle acquisition cost will go up.

Already on vehicles costing Rs 10 lakh and above, TCS of 1% is being charged U/S 6CL which will lead to Double TCS.

We hence request that Auto Dealers should be kept out of this.

5- Attractive enough incentive for successful implementation of Vehicle Scrappage Policy across the Country

Today, the new vehicles are cleaner and meet stringent emission requirements as a continuous plan is being rolled out by the government of India to further improve the emission performance of these newly manufactured vehicles. In spite of all this, the benefits are not getting reflected in the ambient air quality due to the presence of a large number of old and ill maintained polluting vehicles, which continue to ply on the roads, in the absence of an efficient Scrappage/Fleet Modernization Policy in the country.

The auto industry urges that there is a need for the government to design a robust Inspection & Certification (I & C) policy or End of Life Vehicles (ELV) policy for vehicles in the country. However, as both the above policies would take time to be effectively implemented, there is a need for an immediate scheme based on incentive for encouraging a voluntary scrapping of old vehicles and replacing them with the newer ones.

Keeping in mind the socio-economic and political implications that the scheme may have, the government should focus on incentives rather than strict mandates. In the present Indian scenario, it seems more feasible to encourage people rather than to force them to replace their old vehicles with new ones. For example: The scheme to voluntarily surrender Gas Subsidy reaped huge benefits to the Government.

All vehicles registered in India until 31st March 2000 should qualify under the Modern Fleet Vehicle Replacement Scheme. Similar schemes have been successfully implemented in some of the countries, such as, USA, Canada, the UK and Italy by providing fiscal incentives and concessions for replacement through a single window fleet modernization program. The accelerated fleet modernization program in the USA allowed owners to voluntarily retire their older vehicles emitting higher pollution.

Therefore, in India, this scheme will have benefits of reducing pollution, reducing fuel consumption and improving safety (reducing fatalities from 1,40,000 people presently killed annually in road traffic crashes). We hence request for an attractive incentive to be planned for success of the Voluntary Scrappage Policy.

AITWA's Pre-budget Memorandum Presented To Finance Minister Of India

1. Request to rationalize the Section 44AE of Income Tax Act.

In 2018 Indian Government has raised the presumptive income taxon the small truck owners (less than 10 trucks) to Rs; 1000/- per Ton of GVW Per month. It is almost 3-4 times more than the old tariff of Rs; 7500/- Per Truck per Month. Sir, in 44AE there is no provision of claiming even depreciation of the vehicle, and presumptive income direct goes to slab wise income to calculate Income Tax.

Further, the goods transportation by road are lowest in India than the other countries as the Diesel prices are increasing day by day. And after introduction of GST there is already a lot of compliance issues. More over these truck owners have been losing business to foreign players. Still the Department has increased the presumptive income of these poor truckers which make the truckers tough to survive.

We request a reduction of the presumptive

income tax, as it should not be more than Rs 500/- per Ton of GVW with retrospective effect.

2. TDS on cash withdrawals u/s 194N has been applied w.e.f. 1st September 2019. We understand the need to curb cash transactions which is a welcome step in metro cities & tier 1 cities. But truck drivers who are travelling across on state highways & national highways across the country are not able to pay digitally everywhere. Till now only 400 odd toll plazas have Fastag out of which many still give problems to valid tag holders. RTO fines, penalties have been increased multifold due to which cash will be needed on the highways. Thus, the industry will have to continue to use cash for other expenses enroute also including fooding for the driver. Due to TDS made applicable it will drastically affect the cash flows of transporters who are generally borrowing money frombanks & NBFCs without any beneficial schemes. We have been highlighting to the Income Tax Department that refunds of 1-3 years are pending of many of our members for which there is no positive response.

Thus, we are requesting to the Finance Ministry to consider the practical requirement of this trade and give relief from this section to road transport sector.

3. Request for exemption of TCS on purchase of Truck, Truck Parts – Diesel and Cash withdrawal by transport Sector

We write to you in connection with the above subject which is likely to have a drastic effect on our industry members. The road transport fraternity is going through a difficult phase with various regulatory changes in the last few quarters.

While we have been writing for the other issues to your good office, we feel these recent changes need to be also looked into. The implementation of TCS, on purchase of Trucks, tyres, fuel, etc for fleet owners, will be further pressure on their liquidity for which the transport sector is already struggling.

We thus urge Finance Minister to review that the transporters are already shortening the working capital with the deduction of 2% TDS on freight payments, now TCS will also be deducted on the purchase of trucks, truck parts, diesel, and cash withdrawals. Now this additional TCS will only reduce their working capital availability which will drastically affect their liquidity. Today most transporters are getting the refunds from the Income Tax Department which leads to a delay in receipt to them of these amounts.

Our request is to kindly exempt the road transport sector from TCS on purchase of Truck, Truck Parts – Diesel and Cash withdrawal as there are payments that are made during the driver's journey which is not possible digitally. Also, the exemption for TCS on purchase of Trucks, truck parts, and fuel as it will not affect any common man but only fleet owners.

We are hopeful that our request shall be looked into and the same shall be addressed in a manner that the transporters do not get further affected due to the new changes in Finance Act.

We are looking forward to your kind consideration and support on this matter.

4. TDS U/s 194 C The transport Industry has long been demanding the rationalizing the TDS.

Most of the truck owners are small operators having 1 to 5 Trucks and already paying Income Tax as per the presumptive tax on fixed amount basis Rs: 1000/- per ton per GVW per vehicle under section (44E). It ensures uniformity and increases Tax collection.

Transporters are deducting 2% TDS from the Truckers while paying their freight against availing their services and in majority 70 to 75% of the truck owners are not claiming refund due to being non assesses and practical problems as they are uneducated and always on the Move.

Further, the slab of 2% TDS on transportation business is not practical as the industry works on a very low margin of profitability thus the practical rate of TDS should not be more than 0.2%. This has been substantiated earlier also with data of multiple companies where the percentage does not exceed 0.2%.

Lastly as per TDS U/s 194 C Transporter has to deduct 2% TDS on the transportation services provided by the Truck owner and there is no foolproof method to identify that the trucker is an owner of less than 10 trucks or more, later which resulted Taxation compliance problems.

Moreover, the above impacts to increase the logistics cost by minimum from 2 % directly since the cost is incurred as refundable but refund is not possible/taken and the cost is of blocked capital.

We request you to kindly look into the deep of the facts and circumstances and reduce the TDS so that we will able to bring down the logistics cost by saving unproductive expenses.

We Look Forwarded to your positive response.

5. GST on trucks, tyres & spare parts is still under 28% rate slab which is classified as sin or luxury goods. The Trucks are the back bone of the country's Logistics and a bread & butter of the truck owner-driver not a luxury. More over you will appreciate that most of our industry does not take Input Tax Credit as per RCM norms. In fact, as per the GST Act when a trucker is selling his truck, he is supposed to again collect GST which results in double taxation on the same asset. But due to these issues many large logistics companies and foreign funded companies are opting for changing to GST chargeable services which means the GST will be further passed on to the service receiver and reduce their cost.

We thus request that the GST rate on trucks, tyres & spare parts is rationalized to 12% so that the burden of the trucker is reduced and the revenue of the Government is not affected much, further it will help in bringing the logistic cost down and will give a boost to automobile sector also.

6. E-way Bill draconian penalties under section 129 of CGST. Madam, the transporters are facing a lot of difficulties in implementation /execution of E-Way Bill, and even minor errors, transporters have to pay the hefty penalties under section 129 of CGST act. The transportation of goods has become very difficult.

We request your good self to provide relaxation in the act 129 of CGST.

E - WAY BILL SYSTEM

29AAACL2836L1Z8-LAWREL NAVIGATION MAURITIUS LTD

Print Consolidated E-Way Bill Form

1. Consolidated E-Way Bill Details

Consolidated E-Way Bill No	171000000115
Date:	05/09/2017
Transporter ID	29AAACL2836L1Z8
Vehicle No	AB12AB1234
From	BANGALORE-KARNATAKA

2. Item Details

S.No.	E-WayBill No. & Date	E-WayBill By	Document No. & Date	Value	To
1.	121000000839 - 05/09/2017	29AAACL2836L1Z8	123 - 05/09/2017	1000.00	ASDFG - KARNATAKA - 560064

AIMTC Hints At Stopping Operations To Protest Against Rising Fuel Prices

The fuel price hiked 20th day and nonchalant behaviour of the Government towards the perils of more than 20 crore people dependent on the road transport sector made the transport fraternity mull to stop unviable operations across the country, very shortly.

The Petrol and diesel rates have been hiked for the 20th consecutive day and the price of petrol and diesel have gone up cumulatively by Rs 8.81 and Rs 10.80 respectively since June 7, 2020. Frenzied tempers are running across the society and the sectors of the economy.

The common man, the farmers and the road transport fraternity of India all are dismayed at the dictatorial feeling the pinch of the rising fuel prices. Hike in petrol and diesel has raised prices of commodities, cost of people mobility, farming cost and operational cost of trucks in the country. There is vehement anger in the road transport fraternity as they clamour for strong reaction to the spiralling fuel prices.

The Road Transport Fraternity of India Demand from the Government:

- Transporters Demand Roll back of Fuel Price Hike and Rationalization of Taxes on Fuel.
- Uniform rate of Diesel across the Country.
- Monthly or Quarterly Revision of Fuel Prices.

The historic hike in Diesel Price is destroying the road transport sector by making their operations further unviable and loss making. Unable to sustain the ONSLAUGHT OF ECONOMIC LOCKDOWNS, WEAK DEMAND, ALL OUT CORRUPTION, DIESEL HIKES AND APATHETIC DEMEANVOUR of the Government, the entire road transport sector is struggling to survive. The Government did not provide any relief to this sector post lockdown and it was struggling then to survive amid weak demand and heightened corruption. There has been multi-fold increase in NPAs resulting in acute loss of livelihoods. But now the diesel price hike has broken the back of the road transport sector.

Unless the Government roll back the recent hike, addresses the above demands, and checks on road corruption that we highlighted sometime back and which still persists in the State of Madhya Pradesh, West Bengal, Bihar, Haryana, Rajasthan, etc brazenly and with Impunity, there is NO OTHER ALTERNATIVE LEFT WITH ROAD TRANSPORT FRATERNITY OF INDIA BUT TO STOP THEIR LOSS MAKING OPERATIONS, which will be announced shortly.

Kultaran Atwal
President, AIMTC

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Indian Railways: From freight to super-freight

The DFC will herald an era of fast, safe and timetabled running of freight trains.

A new era in freight transport by railways dawned last month when the 351-km-long New Bhaupur to New Khurja section of the eastern leg of the Dedicated Freight Corridor (DFC) was declared open by the Prime Minister. Reportedly, the 58 BOXN wagon coal rake destined for a thermal power station up north completed the run at an average speed of 70 km/h. Compared to the current average of 25 km/h of freight trains on the 65,000-km network of the Indian Railways, this was a quantum jump in transport by rail that the western and eastern legs of the DFC promise to usher in when fully commissioned in a few years.

Alarm bells had begun to ring in a couple of decades ago when the Indian Railways' market share of freight transport had dropped from a peak of 70% in the 1950s to just 30%, with road transport luring away the business with faster door-to-door service and guaranteed delivery schedules.

Conceptualised a decade ago, the plan to win back freight business began with the creation of a special purpose vehicle, i.e. the Dedicated Freight Corridor Corporation of India Ltd (DFCCIL), in October 2006. The project was approved for an estimated cost of Rs 28,181 crore and contracts for construction of two major bridges awarded in December 2008.

Two corridors—1,504-km western corridor and 1,856-km eastern corridor—spanning 3,360 km were to be built, along existing track alignments so as to involve least amount of land acquisition, an onerous exercise that could bog down the project with its high cost and attendant problems. The proposed western corridor connecting Dadri in Uttar Pradesh to Mumbai's JNPT would pass through Haryana, Rajasthan, Gujarat and Maharashtra, while the eastern corridor (originating from Dankuni in West Bengal) is designed to pass through Jharkhand, Bihar, Uttar Pradesh and Haryana to terminate in Ludhiana (Punjab).

Partly funded by the World Bank with a soft loan of Rs 5,150 crore, the eastern corridor was first off the mark with the commissioning in phases planned from 2017-18 onwards. Simultaneously, the work on western corridor commenced from Rewari to Vadodara via Phulera, which too was beneficiary of a soft loan of Rs 5,100 crore by the Japan International Cooperation Agency.

A few years down the line, the Cabinet Committee on Economic Affairs approved the revised cost that had ballooned over the years to Rs 81,459 crore, due to unforeseen delays and cost escalations mostly on account of land acquisition, which even though minimal was critical for alignment.

As the name implies, the DFC is dedicated entirely to carry freight. With a double-line corridor, it can carry 1500-metre long loads as against the current 686-metre, which is restricted on account of its loop length at stations. As a result, 13,000-tonne loads with 120 wagons can be run, as against the current 5,000 tonnes with 58 wagons, which will need more powerful locomotives with 12,000 horsepower against the current 6,000 horsepower.

With no passengers to be picked up, stations are also few, almost 50-km apart, as against current 10 km or so. State-of-the-art radio

communication facilities provide the locomotive pilot a far greater safety and speed potential. Mechanised track-laying resulted in not only higher productivity by laying 1.5 km of track per day (as against 100-150 metres when done manually), it also led to much better track geometry, while head hardened rails and flash butt welds would result in longer life and reduced wear-and-tear of rolling stock.

While the eastern corridor is to mainly serve the coal circuit from coal fields in eastern India to thermal plants up north, the western corridor would provide greater capacity for carrying export-import traffic of industries in north India and also serve scores of logistics parks expected to come up on the Delhi Mumbai Industrial Corridor, a 150-km wide swath of hinterland all along the corridor.

With no passenger trains crowding the tracks, which had to be given precedence, the DFC will herald a new era of fast, safe and timetabled running, guaranteeing delivery schedules of freight that had so far been only a promise on paper.

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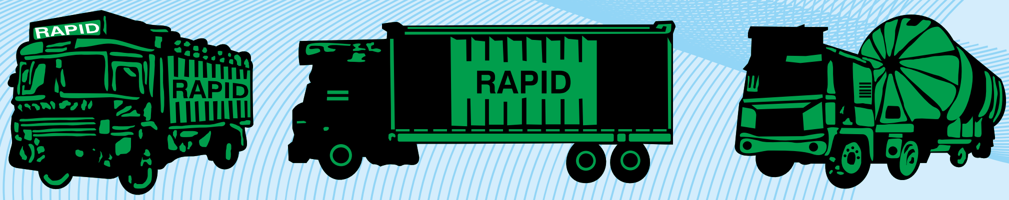

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It's Faster & Safer by **RAPID**

Apollo inaugurates a specialised Service Centre for tyres

India's leading tyre manufacturer, Apollo Tyres today inaugurated a specialised Service Centre for tyres in Gurugram, in the northern part of the country. This is the first such service centre for tyres in India, which is independent of a sales outlet, and would be gradually catering to all category of tyres. The company plans to open 10 such service centres across different locations in the country in the next 12 – 14 months.

The customers visiting the Service Centre will get on-the-spot grievance redressal, instead of visiting multiple touchpoints and waiting for solutions. While the Service Centre will be directly monitored by the company, it is owned and operated by the franchise. The technicians employed have been trained and certified by the company to provide all tyre related services using calibrated equipments.

Commenting on the inauguration of the first dedicated Service Centre for tyres, Satish Sharma, President, Asia Pacific, Middle East & Africa (APMEA), Apollo Tyres Ltd said, "Apollo Tyres is committed towards bringing the best of our products and services to our customers. This state-of-the-art service centre brings together Apollo's extensive experience of providing 360-degree solutions to the customers for the entire lifecycle of the product. Being the leaders in the Indian Tyre Industry, such customer focused industry-first initiatives and a winning product portfolio, is what differentiates us from other players."

Apollo Tyres' Service Centre is equipped with the state-of-the-art facilities and services including computerised wheel alignment, automatic tyre changer, wheel balancing machine, nitrogen gas inflator, specialised two wheeler tyre changer and balancer, mushroom plug for tubeless tyre puncture repair, facility for run-flat tyres, and a PUC machine. While the tyre related services would be charged optimally, the customers also have the option of subscribing to the AMC and doorstep emergency services for their tyres.

Apollo Tyres chose Sector 17, Gurugram as the location for its first Service Centre as Delhi NCR is the largest market for passenger vehicles, and most of the OEMs have their service centre in the vicinity.

Ecom Express enters Bangladesh, fortifies its presence in adjacent markets

Ecom Express, India's leading technology enabled end-to-end logistics solutions provider to the e-commerce industry, has announced a strategic investmentworth of USD 11 million in Bangladesh's largest third-party e-commerce logistics (3PL) firm Paperfly.Through this investment, Ecom Express is entering Bangladesh marking its maiden venture outside India.

After having covered the length and breadth of the country reaching over 1.2 billion people daily,Ecom Express is now looking at expandinginto adjacent countries, starting with Bangladesh.

With more than 167 million inhabitants and over 90 million internet users, the e-commerce industry in Bangladesh is emerging and has become one of the fastest growing markets in the region. The increasing per-capita disposable income has fueled higher consumption from expanding middle classes. Moreover, greater mobile and internet penetration has led consumers to increasingly shop online and expect shorter delivery times.

T.A. Krishnan, CEO and Co-Founder, Ecom Express says, "We see a lot of growth opportunities in adjacent markets and the current investment is one of the many things in the pipeline. We looked at multiple aspects before identifying Bangladesh for our first international venture. The market draws parallel with India in terms of growth and demography and we want to leverage our experience and domain expertise to enable high scalability growth and build a strategic backbone of e-commerce logistics in Bangladesh. Paperfly is quite similarto Ecom Express in its operations and we admire what the company has accomplished in the Bangladesh market. We look forward to enabling Paperfly to unlock new avenues for an enhanced third-party logistics and home delivery in the country."

Founded in 2016 by Shahriar Hasan, Md. Razibul Islam, Rahath Ahmed and Shamsuddin Ahmed,Paperfly is the first homegrown technology-enabled logistics company in Bangladesh and has been able to scale up to the size that it is today in a very short span of time. Covering all 64 districts, the company has the widest delivery network in the country and enables e-commerce platforms with full-fledged delivery and logistics offering and services including last mile delivery, cash on delivery solutions and returns management. The fast growth of Paperfly is a testament to the solid experience and extensive industry expertise of its management team.

The investments will be used by Paperfly towards transformation of logistics through intelligence driven automations and data sciences that would enable the company to meet the fast-growing demand for quality e-commerce logistics services in Bangladesh. It will further accelerate the company's implementation of advanced supply chain and logistics processes, agile solutions in delivery andwarehouse management, and other operational facets in the logistics and supply chain.

Tata Motors bags the National Energy Conservation Award (NECA) 2020

Tata Motors has bagged the prestigious National Energy Conservation Award (NECA) 2020 for its energy conservation measures, instituted by the Bureau of Energy Efficiency (BEE). The company's Jamshedpur, Lucknow and Pantnagar plants won 'First Prize', 'Second Prize' and 'Merit Award', respectively, in the category of Automotive (Manufacturing) Sector. At an event held virtually, the award ceremony took place in the presence of Shri. Raj Kumar Singh, Hon'ble Minister of State (Power, New & Renewable Energy) & Minister of State (Skill Development and Entrepreneurship),

On receiving the award, Mr. Ajoy Lall, Vice President – Operations, Commercial Vehicle Business Unit, Tata Motors said, “At Tata Motors, we are extremely delighted to have received this award from Bureau of Energy Efficiency. We have consciously engrained sustainability in every aspect of our business by stretching ourselves to adopt more meaningful ways to reduce our impact on the planet, while still delivering exciting products and sustainable solutions to our customers. We have always been conscious of the need to conserve energy in our Manufacturing Plants - which leads to – Increased energy efficiency &reduced carbon emissions, which are further supported by utilization of higher levelsrenewable energy. These awards reflects the ongoing efforts of all Tata Motors employees to make our facilities greener and more energy efficient.”

Recently, Tata Motors Plants also received national awards for excellence in energy managementat the CII's Energy Efficiency Conference & Exposition in August 2020. Awards included “National Energy Award 2020” and “Excellent Energy Efficient Unit”

My Long Journey With TATA MOTORS

Biswanath Bhattacharjee, Part 65

This part of the story is dedicated to M/s United Motors.

It was a quite interesting & learning for me working with Indian Army personnel. They do their jobs religiously as per they trained & as per army rules & regulations. On 2 / 3 occasions they had not cleared the vehicle just for non supply of a small spanner or a combination plier or one adjustable wrench whose cost would be hardly 100 Rupees. Just for a item whose cost may not be more than Rs 100/-, a vehicle costing more than Rs 10 Lakhs were not cleared simply because, we had supplied a list of tools in which we had committed to supply all the listed items along with the vehicle. When this was brought to my notice, I told the Major, don't worry Sir, tomorrow I will supply all the missing tools. I asked United Motors, if these are not available in their store, purchase from local market immediately. Next day, I deposited the items in their central store along with 2 extra set so that in case they require for their running vehicles, they can use this. When, this was conveyed to Major, he became very happy, he asked me how can you arranged the tools with in a day, when we have not given you the shortage report & not demanded the items officially ? Did you sent your inspection report & got the approval from your superior so early. He was surprised & not believing to hear my reply. I told him, Sir, this is the beauty in Tata Group of company. Being an officer of Telco, I enjoy some authority by default. I had asked my dealer to supply the items from their store or from local market, if these were not available with them. Only I have to do is to certify their bill to Telco for supply of these items.

We also faced lot of major defects, particularly body parts, which we had to replace or repair, 2 / 3 vehicles were involved in major repair or replacement of aggregates like gear box , Engine etc. In such cases, we had to bring the vehicle in our Dealer's workshop as these jobs requires support of fully equipped workshop. This was trouble some job. To take out a army vehicle, we had to get special permission, we had to requisition for an army driver who will be driving the vehicle up to the dealer point. Since we had developed a friendly relations with army officers, we could able to do it very fast. It took almost 3 months to complete the job, it took little more time due to erratic supply of vehicles & non availability of parts which were specially made for army vehicles like front live axle, transfer case & front propeller shaft. Although, I was thinking that it took little longer time to clear all 173 no of vehicles, but we were congratulated by our Delhi Regional office for completing the job with shortest possible time. I got relieved & satisfied.

Meanwhile automobile market scenario was changing rapidly. Apart from Tata & Ashok Leyland who were the two major players in Indian market , started getting competitors. Eicher, Swaraj Mazda, AMW started penetrating in the market slowly but steadily. Even Mahindra & Mahindra was also preparing to enter HCV market. There was tremendous pressure on dealers to sell more & more vehicles. Few dealers started giving the discounts to the prospective customers & slowly it had spread over the entire country. Discounts or special rivet became the part & parcel of vehicle sale. Customers were started bargaining for lowering the price of the vehicles which forced the company to re think their sales strategy as profit margins were started eroding. There was a time when Tata vehicles were sold on premium ranging from Rs 50,000/- to Rs 1 Lakh, or even up to 1.5 Lakhs. Now, the trend had become just opposite

In such a scenario Telco top management had decided to provide some special services to Tata Customer to made them satisfied & delight. The strategy was customer retention. A Tata Customer should be a Tata Customer forever. For this the goal was fixed to work for " Customer delight " and to achieve this, company thought to create 3 new departments to enable to provide the extended services to the Tata customers. To create a special service team with in the Service department . With this thinking a new unit was created and was named as " CUSTOMER ASSISTANCE CENTER " in short CAC. A new business unit had created to sell aggregates after refurbishing / overhauling as per the customer's demand. This business unit was named as Recon Business. Customer's were facing the problems for routine maintenance of their vehicles & attending of break downs on highways particularly on long highway operations. To take care of this problem, a new business unit was created under head of service department and was named as A.M.C (Annual Maintenance Contract) business. However, later on it was established that AMC was quite complicated, controversial & loss making business for

Gaurav Kapadia, United Motors

By the end of 1999, I was transferred to C.A.C. (Customer Assistance Centre) along with 2 others from our Chennai service office It was started functioning from 1st January -2000. Interesting stories at CAC will be presented in Part – 66.

Narendra Modi inaugurates Rewari-Madar freight corridor section

Prime Minister Narendra Modi inaugurated Rewari-Madar section of Western Dedicated Freight Corridor via video conferencing. "The eastern and the western dedicated freight corridors are being seen as a game-changer for India. It will help in the development of new growth centres in different parts of the country," said PM Narendra Modi.

He also flagged off the world's first double-stack long-haul 1.5-km-long container train hauled by electric traction from New Ateli-New Kishangarh.

"The two 'made in India' COVID19 vaccines have instilled a new confidence in the people of India," PM Modi said.

On this occasion, Rajasthan Governor Kalraj Mishra, Railway Minister Piyush Goyal, Chief Minister Manohar Lal Khattar and Rajasthan Chief Minister Ashok Gehlot were also present.

Rewari-Madar section of WDFC

1) The Rewari-Madar section is situated in Haryana, approximately 79km in Mahendragarh and Rewari districts and Rajasthan approximately 227km, in Jaipur, Ajmer, Sikar, Nagaur and Alwar districts.

2) It consists of nine newly-built DFC stations in which six are crossing stations of New Dabla, New Bhagega, New Sri Madhopur, New Pachar Malikpur, New Sakun and New Kishangarh while the other three are in Rewari, New Ateli and New Phulera are junction stations.

3) The opening of this stretch will benefit various industries in Rewari, Manesar, Narnaul, Phulera and Kishangarh areas of Rajasthan and Haryana and will also enable better usage of the container depot of CONCOR at Kathuwas.

4) This section will also ensure seamless connectivity with the western ports of Kandla, Pipavav, Mundhra, and Dahej in Gujarat.

5) During his inaugural address on December 29, Modi had said that these freight corridors will play a "major role" in making India "self-reliant". "Be it traders, farmers, or consumers, everyone will be benefitted from these."

NHAI to raise Rs 1 lakh cr in 5 years, toll collection through GPS being planned

The National Highways Authority of India (NHAI) is planning to raise Rs 1 lakh crore through monetisation of highways under the toll-operate-transfer (TOT) mode in the next five years, Union Minister Nitin Gadkari said on Friday.

The road transport, highways and MSMEs minister also said electronic toll collection is being planned through GPS for exact distance traversed and not through toll plazas.

"NHAI intends to raise Rs 1 lakh crore through the TOT plan of asset monetisation in the next five years. We are getting excellent response and have got a lot of new models and pension funds besides investors from abroad," Gadkari said while participating in the 25th Wharton India Economic Forum.

NHAI is authorised to monetise public-funded national highway projects, which are operational and are collecting toll for at least one year after commercial operation, through the TOT model on a case-to-case basis.

The minister said, "Toll collection through GPS will be done in which image of car will be captured and toll will be subtracted from user on the basis of stretch of roads used by any particular vehicle."

He said that after electronic toll collection through FASTag, there has been an increase in toll revenue. The collection through FASTag, which is nearly 75 per cent at present, will be taken to about 98 per cent within a month, Gadkari added.

Gadkari said his ministry aims at taking road building target to 40 km a day by March and added that the NHAI has a target to build 60,000 km of highways in the next five years, including 2,500 km of express highways.

These include 9,000 km of economic corridors, and 2,000 km each of strategic border roads and coastal roads. Besides these, 100 tourist destinations and 45 towns would be connected through highways.

The minister said that despite challenges posed by Covid-19, highways construction was going on in full swing. Welcoming the investors to invest in India's infrastructure sector, the minister said a red-carpet awaits them and assures them of high returns as compared to other places globally.

The minister said 35 multimodal logistics parks are on the anvil while scrapping policy for vehicles is in the final stages, and exuded confidence that India soon will be number one manufacturing hub for vehicles.

He said the focus of the government is to make India a hub for green fuel in order to cut on annual Rs 8 lakh crore huge crude imports and the plan is also to take the ethanol economy from Rs 22,000 crore at present to Rs 2 lakh crore. Besides, emphasis was also on electricity-driven public transport, he said.

He said the Rs 12,000-crore Char Dham project will be completed by this year while a city like Davos is also being planned near Zojila.

The minister said his ministry has finalised 2,478 projects worth Rs 20.33 lakh crore under the National Infrastructure Pipeline. He said 22 green expressways are being built by his ministry, including the Rs 1-lakh crore Delhi-Mumbai expressway.

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Driving into 2021, govt sets eyes on expanding road infra, more electric vehicles

After striving to turn the pandemic-induced "crisis into an opportunity" with ongoing construction of tunnel roads in tough terrains and critical infrastructure, the government will step on the gas in the new year for massive penetration of electric vehicles as well as expansion of road networks. From Kailash Mansarovar route to Zojila tunnel to Lipulekh pass, massive construction works in the country's roads and highways sector are either in progress or launched or have been completed during the coronavirus pandemic-ravaged 2020.
In the words of Union Minister Nitin Gadkari, the driving force behind roadways expansion and numerous infrastructure development projects, the government decided to turn the crisis due to the pandemic into an opportunity. The total length of national highways is currently around 1,34,400 kilometres and the aim is to add another 60,000 kilometres in five years' time.

As the globe battled COVID-19, "we decided to turn it (crisis) into an opportunity and massive work could be done in tough terrains, including tunnel below Chamba town, work on Kailash Mansarovar Yatra route and other strategic highways", Gadkari told.

In 2020, the government launched the work for the strategic 14.15 kilometres-long Zojila tunnel to provide all-year connectivity between Srinagar valley and Leh. Remodelling of the project, which has been pending for quite sometime, is projected to result in savings worth about Rs 5,000 crore.

During the pandemic, the Border Roads Organisation (BRO) completed a substantial part of the work of road connectivity from Dharchula to Lipulekh, popularly known as Kailash Mansarovar Yatra route. The strategically-crucial stretch connects the Lipulekh pass at a height of 17,000-feet along the border with China in Uttarakhand with Dharchula.

"Seven tunnel roads are under construction in the Jammu and Kashmir region alone, including construction of the 8,450 metres-long twin-tube tunnel between Qazigund and Banihal that will be completed by the coming March. The work on 2,968 metres-long 6-single tunnels road between Ramban and Banihal is due for completion in December 2021," Gadkari said.

"We have completed about 85 per cent work on the Kailash Mansarovar route and the remaining work is likely to be completed by April 2021," the Road Transport, Highways and MSMEs Minister said. According to him, through different programmes, a target for development of 60,000 kilometres of national highway in the next five years has been set.

The work is on full swing, including the Rs 1 lakh

crore-Delhi-Mumbai express corridor, which the government is confident of completing in the next two years. Gadkari also noted that about 50 per cent work on the corridor has been completed. Also, 22 new express highways are on the anvil, including the Chennai-Bangalore one, that will help reduce overall logistics costs.

With India's pledge to reduce carbon emissions by 30-35 per cent by 2030 and efforts to cut down on Rs 8 lakh crore-worth crude oil imports, the focus is also on green fuel and electricity as well as Electric Vehicles (EVs).

"India is power surplus. So the benefits of e-mobility solutions are immense... The Centre intends to have an electric vehicle sales penetration of 30 per cent for private cars, 70 per cent for commercial cars, 40 per cent for buses, and 80 per cent for two and three-wheelers by 2030 by providing various incentives, which are likely to drive the growth of EV market in India," Gadkari said.

The government is planning to set up at least one e-charging kiosk at each of the around 69,000 petrol pumps across the country with an aim to accelerate the uptake of electric vehicles, he said. Asserting that India has the potential to become the largest EV producer in the world in the next five years, Gadkari said, "now is the time to harbour the ambition to become number one... the raw material is available, power rates are reducing... It is a win-win situation".

In addition to electricity, ethanol can be another powerful fuel, the minister said and asserted that from being a Rs 22,000 crore-ethanol economy, it could be easily taken to Rs 2 lakh crore which would generate 25 lakh employment opportunities. At least 1,600 crore litres of ethanol is required for blending with petrol as 10 per cent can be blended now but procurement is only 450 litres. "We plan to permit blending up to 22 per cent and for that 3,500 litres of ethanol will be required for petrol only while additional huge requirement will be needed for diesel as in coming days there will be flex engines for automobiles on the pattern of developed nations," the minister said.

In the context of the road transport ministry recently coming out with Cab Aggregator Guidelines, Gadkari said, "we are committed to formalise this industry in order to create a professional manpower of drivers and operators who are trained with all best practices and equipped with required skill to provide end to end connectivity".

On the roadways front, 2020 saw asset monetisation programme getting accelerated under the Toll Operate Transfer (TOT) model which was reworked leading to realistic price discovery of an asset. Infrastructure debt funds have been allowed to participate in direct financing of the asset under monetisation through this route and smaller projects have been made available to help investors. Investment trusts and special purpose vehicles have also been introduced for funding for expressways.

To fast-track highways construction technical and financial qualification for eligibility has been relaxed to encourage wider participation of builders in HAM (Hybrid Annuity Model), EPC (Engineering, Procurement and Construction) and BOT (Build, Operate and Transfer) models. Working capital requirements were streamlined by rescheduling and fast-tracking payment cycles, thereby releasing more than Rs 8,000 crore-worth of payments during the lockdown period.

Among other initiatives, performance security requirement has been done away with to ease cash flow in the sector and funds worth Rs 4,000 crore have been released while existing PPP contractors either in HAM or BOT or TOT have been compensated for losses. "The target to is to build highways worth Rs 15 lakh crore in the 3-4 years and during my earlier tenure, I had ensured works worth Rs 17 lakh crore in my combined ministries," Gadkari said.

For 35 logistics parks under the Bharatmala initiative, a special purpose vehicle -- National Highways Logistics Management Company -- has been set up with NHAI Member Manoj Kumar as its Chairman.

Enhanced focus on electronic toll collection through FASTags has resulted in an increase in toll collections which are likely to reach Rs 33,000 crore by March and rise to Rs 1 lakh crore by 2025.

AIFI Demands Government to Ban Exports of Steel and Iron Ore

The disruption caused by the Corona Virus has affected the automobile industry thereby the automotive components and hence the forging industry. While the industry was reviving post the pandemic, the increase in steel prices has hammered the Forging Industry in India. Forging Steel manufacturers have hiked the price by 10% over the last six months, and have now sought a further 15% increase,the initial increase itself was all but impossible to sustain, the further increase will prove to be disastrous.Steel is the basic raw material for The Forging Industry and typically constitutes 60 to 65% of the ex-factory value of forgings, with these two increases this is expected to rise to around 75%,with such an increase in percentage of the input cost, survival of the industry has become challenging.

At the moment, the prices of steel are at unprecedenthighs. Increased demand amid low allocation of production for the domestic marketcoupled with minimal imports due to import restrictions imposed by the Government of India, domestic steel manufacturers have increased the prices twice in the current quarter for forging quality steel and three times in the current month for other types of steel, bringing the benchmark hot-rolled coil prices in the wholesale market (ex-Mumbai) to Rs 52,000 per ton from only 36,500 per ton in July, that's a rise of 43 percent, an indicator that the prices of forging quality steel will be further revised upwards in the immediate future in line with the increases in the prices in Hot Rolled Coil prices.

The price increases of steel in the domestic market are due to the increase in exports to neighboring countries and resultant reduction in supply within the domestic market has resulted in Indian prices, moving contrarian to the prices of steel in the European and American markets, thereby reducing the price competitiveness of the Indian manufactures in these markets, besides forcing the manufacturers to absorb the increases on existing orders, resulting in them incurring losses on them.

Apart from the increased export of Steel, India's iron ore exports to have increased by 63%. This increase in exports is mainly motivated by the record steel production of the world's largest steel manufacturer—China. In FY20, India's iron exports increased by 133% to 37.69 million tons over the period April-July 2020 compared to the corresponding period in FY19. And more than 80% of these exports have been to China. Hence domestically produced iron ore in India has met the needs of another country before catering to our own requirements.If Indian steel price are higher than international steel price that will lead to exports becoming uncompetitive. Export rates have risen sharply in post COVID and they have

almost doubled.

Mr. Vikas Bajaj, President, AIFI said“Steel prices have increased by 25 to 30% per cent in the last three months, putting the forging industry at serious risk, particularly when we are still recovering from COVID-inflicted business losses and the resultant pressure on cash flow, and cash reserves. The industry is still going through a very difficult time and is not in a position to absorb losses. I believe that rising demand for steel, low steel production for the domestic market due to increased steel exports are the prime reasons for price hikes. The Forging Association requests the government to consider a ban on steel and iron ore exports so that demand of steel within the country can be met in a cost / price effective manner”.

Steel accounts for 7 % of the country's GDP, as steel prices have increased by 10 % and are projected to increase by another 15 %, that could ultimately have an inflation rise of about 1.5 %. If inflation increases, it will result in higher interest rates, leading to a slowdown of the economy.

India's exports of finished and semi-finished steel to China increased sharply in this financial year despite the growing border tensions. Also, India's overall iron and steel exports to China in the first five months of this fiscal year were more than three times the amount for the entire fiscal year 2019-20.

Impact on Forging Industry: Indian Forging Industry is one of the key players in the auto component manufacturing sector and a major contributor to the Government's Make in India initiative. The Industry apart from catering to the automotive sector, solar, aerospace, railways and wind sector also plays a key role in contributingto the forex by way of huge exports. The current overall capacity utilization of Forging Industry stands around 50 to 55% against a normal of 65% and the Industry provides direct employment to 250,000 plus people and indirect employment to approx. 250,000 people against 600,000 earlier. The industry has turnover of around 34000 crores.

Mr. Yash Jinendra Munot, Vice President, AIFI said “Export of steel is the major reason for the rate hike. Large mills are preferring to export steel to neighboring countries. Also, orders have been booked for Europe, the Middle East, etc., which is one reason for the shortage of steel in India. Thus, steel companies are in a position to increase prices at their will due to the gap in supply and demand. The Government should consider banning the export of steel and Iron Ore for the next six to eight months or till such time that the local demand is met and should look at regulating steel prices for domestic consumption.

Another factor that can be attributed to steel manufacturers to increase prices is minimal imports from other countries. Japan and Korea, the main two exporting countries to India apart from China, are exporting more to Europe due to the restrictions placed upon imports into India by the Government of India.

Making our Ports Smarter and More efficient: Future is now!

Mr Alok Sharma,
CEO & Co-founder,
NebulARC

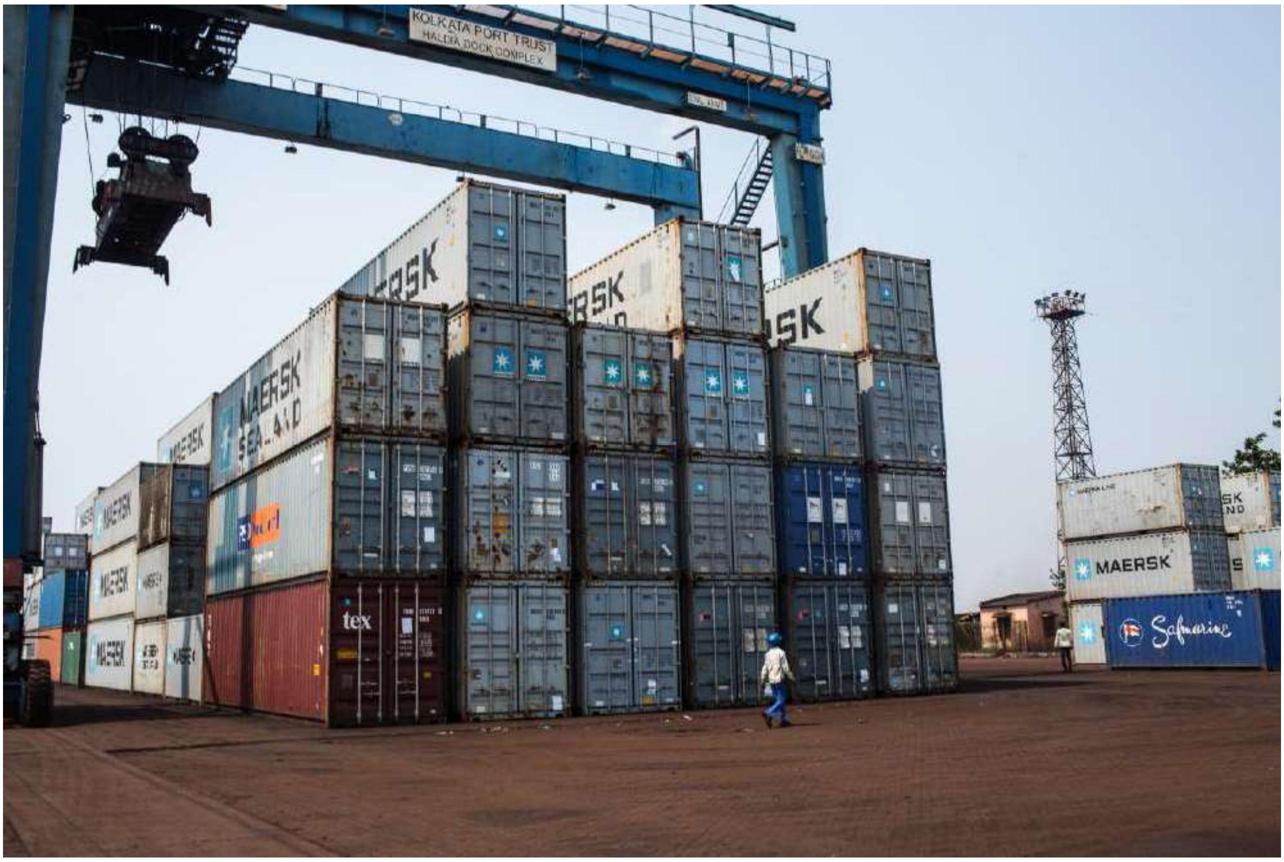
As the world gets closer by the day, the differentiation for businesses lies in speed as well as the quality of products and services; and this simply translates into building a seamless supply chain and logistics operation. Use of technology has become indispensable, and inevitable and now it is cutting through one of the most traditional spaces, shipping and freight management.

Currently, there is red tape, lack of transparency, and a need to efficiently manage cargo during transits. While the digital footprint for Indian businesses is growing, and has been accelerated with COVID, its applications in the maritime and shipping industry remain sporadic. India has a long way to go to embrace the new technology infrastructure and make this industry modern.

The criticality of efficient maritime sectors cannot be undermined. The Ministry of Shipping estimates that around 95% of India's trading by volume and 70% by value is conducted by maritime transport. In FY20 India's major handled cargo of 704.82 million tonnes (MT), which translates to a CAGR of 2.74% from FY16 to FY20. The increasing amount of cargo indicates a growing dependence for the Indian ports sector. The amount of cargo is expected to reach 1,695 million metric tons by 2021–22 as estimated by National Transport Development Policy Committee.

This calls for a technology intervention, as digital technologies can help transform supply chain operations and improve the efficiency which will make our ports faster and smarter. We want the ports to take on digital capabilities in terms of new technologies and automation and the industry needs to warm up to the disruptions. Whether it is tracking cargo on the waterways or once it lands on the ground, shipments need to be tracked and managed much more efficiently. Gone are the days of red tape and manual tracking, digitisation can help streamline this, and enable simpler ways of ocean freight and cargo traffic visibility.

Technological innovations like AI, telematics, blockchain and IoT are being touted as game changers in this. Technologies like sensors and real time tracking devices are being adopted to



help track cargo with constant notifications and fleet tracking deliveries and customer accounts. Though ocean freight tracking is complex as there are multiple transits and processes, involving numerous parties at every end and manual processes, which increase error into the system. The whole process makes it impossible to have manual efficiency, which increases the risks and loss of cargo.

These next-gen technology solutions are flexible, scalable and could be easily integrated into your operations to offer zero-defect logistics and enabling new levels of productivity and efficiency.

From IoT solutions that offer monitoring and tracking inventory, to Inbuilt RFID, GPS and sensor technology to help transmit data – these will help shipping companies manage cargo, track trips and for customers to plan better. There is also massive potential for freight management platforms that will integrate all parties' carriers, fleet owners, importers and exporters, customs agencies, port terminals to act like one single unit! Telematics use fleet management systems which can help in efficient cargo distribution, both offshore and onshore. These technologies provide real time fleet tracking and insights and help monitor container health and vessel performance. There is a dire need for efficient fleet utilization, which can be done with data analytics and help companies save costs and time.

No business or industry can remain behind in this digital age and when it comes to making our port operations smarter, the industry is gearing up for it. We believe that the next decade will be crucial as we will witness companies implementing these new technologies and become digitally savvy. We stand at cusp of an evolution where technology will overhaul maritime logistics, the impact of which has just begun.

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