

Constraints for Supply chain due to mandatory declaration of license no.



Legacy of Chitale Bandhu Mithaiwale Pune



- 25 Chitale Bandhu Stores (Franchisee/own)
- 25+ Chitale Xpress (Only Packed products)

- 500 Distributors across 7 states
- 1.5 lakh stores ordering from us
- Expanding E Commerce presence
- Growing Export market

The veins of the rich Chitale legacy traces back as early as the 1950s, when the visionary Late. Shri Bhaskar Ganesh Chitale started a humble milk distribution business at Bhilawadi in Sangli District, the beginning of the first ever entrepreneurial dairying revolution in India.

A foundation strongly engraved in the ethos of quality, excellence and superior customer service has enabled the company to expand to international markets.

The far-reaching appeal is evidenced through the increasing demand for its products in the international markets.

Current Regulations v/s New one



Existing regulations

1. Form of Guarantee exists through Form E
2. Its demands for FSSAI license number /address on either bill or challan/or invoice
3. FSSAI through license requirement mandates requirement to purchase Raw/Packaging material from vendor who has FSSAI license
4. FSSAI also mandates sale of product to those business who has FSSAI license
5. Only link is missing between the distribution channel / retailer

New requirement

1. Inclusion is to track the product/or service provider in between manufacturer and retailer or service provider.
2. This is to track food safety /other impact of Each stage of delivery till consumer.
3. This is to improve linkage between consumer and producer /service provider for raising any concerns
4. Expect consumer to read the FSSAI number on invoice and note

Issues

1. Most of distributors have taken license through consultants who might not have clearly updated scope of business and hence we might end up with revision of licenses to accommodate all categories.
2. All Major sugar mills, traders does not comply basic requirement of Product label/invoice others.
3. In case of B to B supplies, previously many FBO's were putting the FSSAI license number however even though it was mandatory, on retail bill/or invoice it was not printed at many places
4. In case of no FSSAI number, it will mean the product manufacturer is not a registered FBO. Its meant to increase awareness about taking FSSAI license..Does it also mean Govt wants to increase the revenues by means of new licenses?
5. Lack in traceability from the manufacturer to distributor to retailer or through E commerce /service providers?
6. This notification is not sent to Public information bureau nor to any consumer rights organization -how we will achieve consumer awareness?

What does this mean for industry & supply chain

Regulation

1. Ask distribution chain /distributors/franchisee to add their individual License number on bills/invoice
2. Any sourcing of FG from a vendor must have license number
3. All Supply chain points whosoever raises invoice must include their license number
4. Link all these i.e Depots/distributors/Franchisee so that traceability can be established

Impact

1. Each distributor/or franchisee will get linked to complaints if any get raised. Difficulty in linking this complaint to original manufacturer
2. Creating awareness amongst our vendor to put number on their invoice/or update license if required
3. Need to incorporate Suppliers/ traders into the scheme which might have difficulties
4. Linking all this together is a difficult task as if one link is missed entire traceability will be disturbed.

Challenges in Supply chain



Impact on us

- ❖ Compliance for each store - POSH system Easier as its under our control
- ❖ Compliance for each express store - Still easier as its exclusive stores
- ❖ Distributor management - difficult to align/get them to understand its impact
- ❖ Retail shops where our products available - Difficult as 90% does not give a bill or invoice to consumer unless asked. Not in our control
- ❖ E Commerce - Shipment invoice sent from our stores has their FSSAI license but control on E-com happening through Amazon/Flipkart not under our control

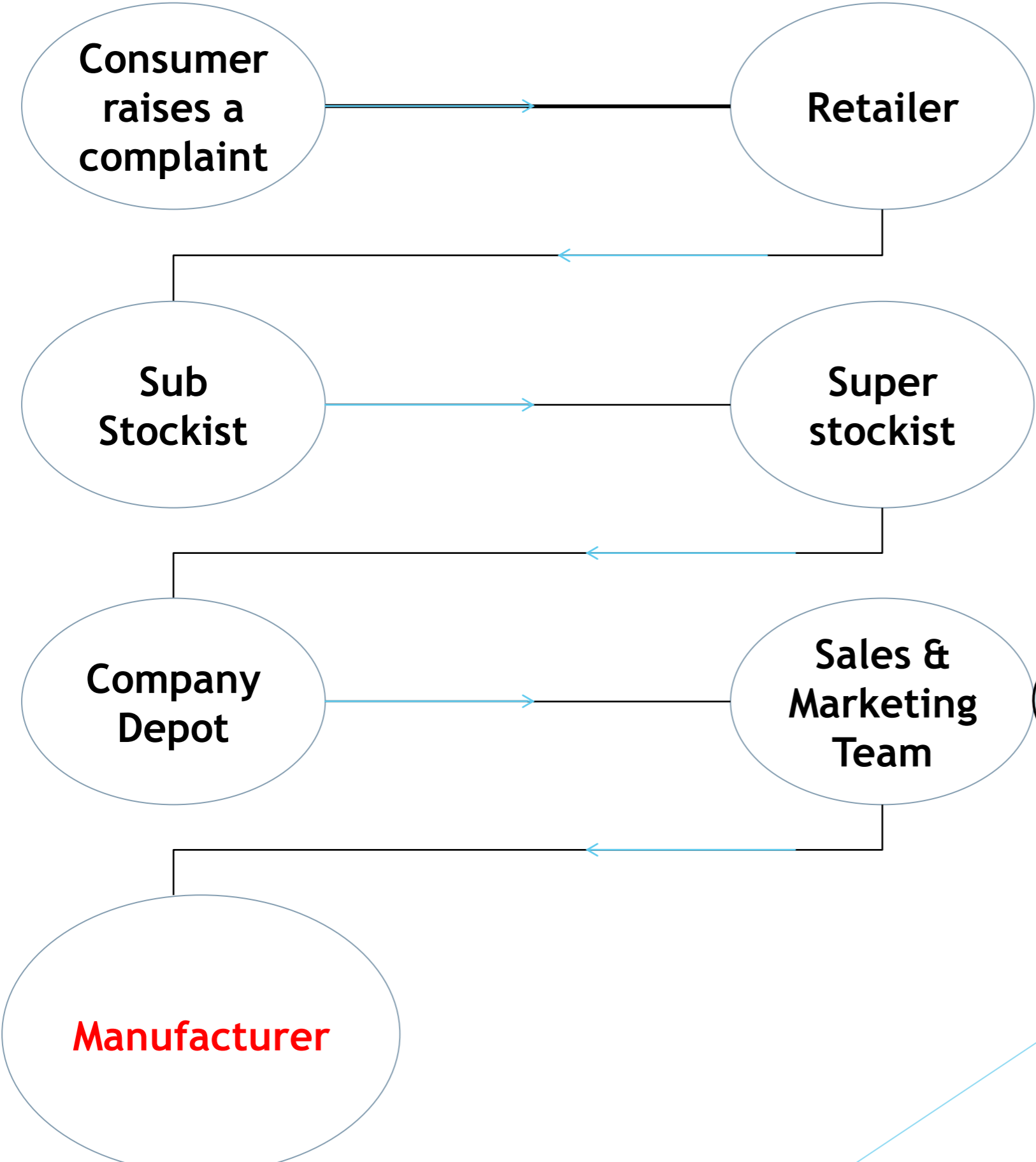
Challenges in Supply chain



Impact on us

- ❖ Distributor management
- ❖ Difficult to align/get them to understand its impact
- ❖ Need to review compliance to License management of distributors to ensure food categories are correct - Impact on Work load for company/distributor and everyone
- ❖ Need to change the billing printer/system - sometime bills made on small Epson printer (don't have enough space there nor ability to add /delete In case of Pre-printed stationary?)
- ❖ If a retailer gets a complaint, it might be linked to Manufacturer through License number printed on Packet but what about the distributor / sub stockiest ?
- ❖ Will there be any penalty if an invoice is without the number? Will that be tracked?

Challenges in Supply chain



Chain Reactions-
Once Consumer shares a complaint - how this chain will react ?

Manufacturer

Challenges in Supply chain

E-Commerce

- ❖ If sold directly from us, possible. In case of third party Delivery system's failure can also impact the product creating a defective product?
- ❖ Sometimes E-Comm supplies happen through a distributor to E-Comm provider
- ❖ It might confuse Consumer -Whose license number to be used for complaint? E-comm, or Delivery service provider ?
- ❖ If anyone in the chain is not having license, then who to bear the impact of “Non compliance”
- ❖ How different state's FDA officers will react to an absence of License number on invoice? Is this informed well to them? Or we have an opportunity of “Mal-Practices”
- ❖ We do source many products from small household players -Limited traceability as same batch might go to many?

Way Forward!



Our Preparations

- ✓ Information sharing to all distribution channel partner, E commerce, franchisee models to incorporate this change
- ✓ Review of All FSSAI licenses to assess discrepancies
- ✓ Support sought from other industries on E commerce platform and compliance of this rules
- ✓ Liaise with FSSAI and Industry associations to seek clarifications

Impact

- ✓ Checking compliance to this is enormous task to confirm
- ✓ This might required to amend or change the licenses -Time/money spent
- ✓ It can give how industry is reacting and can make our preparations more better
- ✓ If not clarified - can lead to situation where/ whose License number to be mentioned i.e Originator or delivery agency in terms of E commerce delivery



THANK YOU!



ANY QUESTIONS ?