

## Report of the Managing Committee for the year 2016-17

It gives me great pleasure to present the report of the Managing Committee of the Indian Beverage Association (IBA) for the year 2016-17.

2. As you are aware, IBA was established in 2010 to meet the need for an industry body focussed on the issues and requirements of the non-alcoholic beverage industry. It has been discharging this role with increasing relevance and effectiveness in these years, having created a space for itself as a representative body of this sector in the country through furthering the interests and projecting the problems, issues and concerns of its Members and of the industry. The endeavours of the Association in taking up with various authorities matters of common interest and concern have mostly had beneficial outcomes. It is a matter of satisfaction and gratitude for the Association that the views and issues projected by it have been accorded careful consideration by the various authorities.

3. The Managing Committee met four times during the year when, apart from deliberation on the course to be followed in respect of issues of immediate relevance and providing guidance to the IBA Secretariat regarding different matters, a review of the Association's activities was also undertaken. Membership of the Association stood at 22 as on March 31, 2017 comprising 8 Subscriber Members and 14 Associate Members. M/s Kali Aerated Water Works Private Limited joined as Associate Member on October 26, 2016 while M/s ITC Ltd. did so on April 1, 2017, raising the strength to 23 Members on that date. We warmly welcome these additions to the IBA family. It goes without saying that with each new Member, the Association gets enriched and acquires a more meaningful existence.

4. The treatment meted out to the industry under the GST regime cannot but be a matter of unhappiness for IBA. Despite vigorous efforts by the Association through interaction with the authorities concerned in the Union Government and in several States, the GST Council chose to go by the recommendation in the report dated December 4, 2015 of the committee under the Chief Economic Advisor, Government of India and not only put aerated drinks in the highest GST slab of 28 per cent but imposed also a cess of 12 per cent under the GST (Compensation to States) Act, 2017, taking the total incidence to 40 per cent. This will undoubtedly have an adverse impact on this industry.

5. Action regarding the Prime Minister's suggestion of 2014 for mixing 5% fruit juice in carbonated beverages was spear-headed by the Ministry of Food Processing Industries with IBA playing an active role in the periodical deliberations. With the standards for 'Carbonated Fruit Beverages or Fruit Drinks' having been prescribed by FSSAI and published in the Gazette on October 25, 2016, the regulatory framework for these products is in place. In order that the initiatives taken by the industry through launch of new products of this category get a fillip, the need is for a rational fiscal framework to be laid down under the GST regime. Efforts in this regard have been initiated and the matter is being suitably followed up by IBA with the authorities concerned.

6. The report of the Secretary General for the year 2016-17 is also being presented on this occasion and contains in detail the activities of IBA during this period.

7. The Managing Committee places on record its abiding commitment to providing good and effective services to the Members and towards endeavouring to promote the interests of the non-alcoholic beverage industry for it to serve the consumer in increasingly beneficial ways.

September 12, 2017

(C.K. Jaipuria)  
President