

AMTOI

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NEWS



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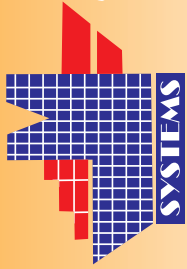
SILVER JUBILEE YEAR

Celebrating Multimodalism
and Family Business



ASSOCIATION OF MULTIMODAL TRANSPORT
OPERATORS OF INDIA





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About us

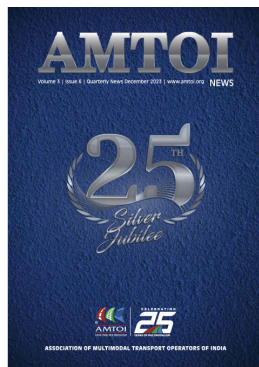
AMTOI, The Association of Multimodal Transport Operators of India, was formed with the object of organizing Multimodal Transport Operators at the national level and improving the quality of their services. The members of the Association are Multimodal Transport Operators registered with the Directorate General of Shipping, Mumbai under the Multimodal Transportation of Goods Act, 1993 which also includes some associate members like CFS operators, tank container operators etc. The Association is a non-profit making body registered under the Indian Companies Act and is managed by the Managing Committee comprising of 7 members elected by the Operator members. The Committee is assisted by a Board of Advisors consisting of the representatives of Government / Public Sector Organizations. Also, it has various trade association representatives on its extended board and is thus likened to an apex body. As a unique initiative, AMTOI has set up a forum called the Grievance Redressal Forum (GRF). The objective of this Forum is to create a platform for dispute resolution

and thereby addressing grievances of the members of the trade. The Association has a two-tier membership Ordinary members who are registered as MTOs and Associate members who are not MTOs themselves but who are involved in operations connected with multimodal transport. The Associate members are not eligible for voting rights or contest in the Elections. The Association from time to time has made suggestions for the consideration of Government and in fact the suggestion for amending the Multimodal Transportation of Goods Act and for adopting other related measures. AMTOI has been able to secure representation on Government bodies like the Standing Committee on Promotion of Exports, (SCOPE Shipping and SCOPE Air), Task Force on Multimodal Transport and various other forums of the Ministries of Shipping, Commerce & Finance of the Government of India. The Association is also a member of the International Multimodal Transport Association based in Geneva and has thus acquired international recognition. For the benefit of its members, regular training courses are

conducted be it on tax issues, insurance or other such related subjects. An awaited event of the year is the MULTI-MODAL DAY or an AMTOI DAY which the Association organizes as an 'Annual Day' for the last many years wherein the entire shipping fraternity of Shipping Lines, Ports CFS operators, Freight Forwarders, NVOCC's, CHA's, Airlines, Government authorities in addition to MTO's come together to network and interact with each other under one roof. Members are kept abreast of the happenings in the industry by MULTIMODAL TIMES or AMTOI Newsletter which is published as a quarterly magazine currently and we hope to graduate into a monthly publication which will attempt to capture critical issues that are close to the industry and along with opinions of the industry leaders. Lastly, keeping abreast with the advancing technologies, AMTOI continuously improvises its website and offers tools for various industry players to come together and thus endeavoring to be a leader in its class



AMTOI News



AMTOI Knowledge Sessions



From The President's Desk

Mr. Xerrxes Master

President, AMTOI

president@amtoi.org

Dear Amtoians,

As we near the end of our current term I am filled with a feeling of nostalgia, fond memories and a sense of fulfillment as my term ends shortly. It has been an extremely satisfying three years wherein we have scaled new heights in prominence and made considerable progress in furthering the cause of our members. A Captain is as good as his team and therefore I can confidently state that I was truly blessed with an amazing Secretariat, Office Bearers and Managing Committee who stood steadfast with me and supported me in each and every aspect during my term. Without them nothing would have been possible and my sincere thanks and gratitude to all of them. The icing on the cake was that the Silver Jubilee Celebrations of AMTOI happened during my tenure. We had been truly blessed by our founding fathers namely the Late Shri. P.K. Srivastava, Mr. Sushil Kumar, Mr. Arvind Parekh, the late Mr. Azad Parekh, Late Mr. Vaishnav Puri, Wing Commander Kochhar and Mr. Cyrus Gazdar. In addition, our Past Presidents Mr. Sudhir Rangnekar, Mr. Tushar Jani, Mr. Anand Sheth, Mr. Shashi Tanna, Mr. Sailesh Bhatia, Mr. Vivek Kele, Mr. Nailesh Gandhi & Mr. Shantanu Bhadkamkar have been our inspiration and mentors as we navigate

through rough and calm seas. Today we are the only Pan India Trade body with a membership strength of over 300 MTOs across India registered with DG Shipping along with important associate members like CFS Operators, Tank Container Operators, Ship Owners, Ship Agents and Air Freight Operators. We also have 18 trade bodies as part of our extended board to ensure synergies between various associations whenever we fight for a common cause. I can confidently state that no other association has this bandwidth with such a relatively modest membership size. Our Councils such as the NVOCC Council, Liquid Logistics Council, Women's Wing and ESG are also punching above their weight wherever required. The Grievance Redressal Forum (GRF) is a platform that has served our members well in avoiding costly litigations and facilitating amicable settlements. Our outreach programs via Training programs, AMTOI Newsletters, Social Media has created awareness of our Association amongst all segments of the industry thus giving us necessary leverage whenever we approach statutory and government bodies. AMTOI strives daily in advocating our cause for becoming a Self Regulatory Organization(SRO) which will be a game changer for all our members and the

industry at large in time to come. Almost 90% of our members are family-run businesses and we have tried our level best to assist them through various awareness programs, events and discussions on balancing tradition and innovation and ensuring succession planning which is the most crucial part of our businesses. In short, AMTOI has been a one-stop shop in ensuring the well-being of our members in almost every aspect of their businesses. My journey of AMTOI started in 2011 and it has been the most satisfying 13 years of my life. Some of you all have been father figures for me, others colleagues, friends and brothers in arms. We have travelled together, broken bread and shared our wine over lengthy discussions ranging from AMTOI to our businesses and families. It has been a good ride !! In short, AMTOI is not only an association but a family and I sincerely hope that this will continue in decades to come. Your new President & Managing Committee undoubtedly will ensure the legacy not only continues but strengthens over time. I wish them all the luck for the future. Your next Editorial will have the new President's address and I am sure it will be a great kick-off for the new term. Good luck and God Bless!



From The Editor's Desk

Mr. Shantanu Bhadkamkar

Immediate Past President & Executive
Committee Member, AMTOI | ssb@atc.co.in

AMTOI represents the collaborative ethos within the logistics industry and the promotion of intermodal transport advancements.

It serves as a unifying platform for various enterprises committed to upholding stringent standards, driving innovation, and facilitating the seamless global movement of goods.

Ensuring Business Continuity: Preserving Family Legacies in Multimodal Transportation

As we approach the AGM and the conclusion of a memorable term, I, as the Editor of AMTOI News, am honoured to extend congratulations to the President, Office Bearers, and the Managing Committee. I express my gratitude to each of you on the momentous occasion of the Association of Multimodal Operators of India (AMTOI)'s Silver Jubilee celebrations for your contributions to the industry and EXIM Trade of India.

In this silver jubilee edition, we invite the members to join us in celebrating AMTOI with an exploratory journey of Business Legacy.

AMTOI stands as a testament to the power of collaboration in the multimodal transport industry, uniting diverse businesses under a shared commitment to excellence, innovation, and the seamless movement of goods across the globe.

The AMTOI Parallel: A Quarter Century of Seamless Leadership

As AMTOI celebrates its 25th anniversary, the organisation stands as a beacon of continuity and seamless leadership, despite changes in leadership every two years. This is a powerful example of family businesses in the multimodal transport sector. The success of AMTOI is not rooted in bloodlines but in shared goals, values, and a commitment to the industry's long-term growth and development.

Family Business and Seamless Multimodal Transport: A Parallel Journey

Just as multimodal transport seamlessly integrates various modes of transportation to optimise the journey of goods, family businesses must navigate the complexities of succession planning to ensure a smooth leadership transition. The goal is not just to preserve the family

legacy but to optimise the overall journey of the business, providing an enduring and resilient solution for customers, employees, and stakeholders.

This seamless transition is a testament to the strength and resilience of family businesses, particularly in uncertain times. Their ability to adapt and innovate, driven by a long-term vision rather than short-term gains, ensures they remain a vital part of the economy and local communities.

Family businesses are the backbone of global economies, and this is particularly true in the context of the multimodal transport industry, where medium-sized companies have thrived on the strength of their entrepreneurial spirit, long-term vision, and deep-rooted values. As we celebrate the 25th anniversary of the Association of Multimodal Transport Operators of India (AMTOI), it is fitting to reflect on how family businesses can

ensure their legacy endures, even when direct lineal descendants are not necessarily in the picture.

Innovative Succession Strategies: A Global Perspective

Globally, family businesses have found practical and creative solutions to the succession challenge without direct lineal descendants. These solutions are grounded in good governance, innovation, and a commitment to maintaining the founder's legacy—often more valuable than wealth itself.

1. **Next of Kin Leadership:** In many cases, leadership is passed to nephews, nieces, or other distant relatives, regardless of whether they are already involved in the business.
2. **Performance-Based Leadership:** Some companies opt to make the top-performing executive the CEO, either by granting a minority stake or solidifying the leadership through a marriage alliance, ensuring continuity in both governance and values.
3. **Strategic Mergers:** Merging with a smaller company that shares similar values and vision can also be an effective way to maintain the family business's character and identity while bringing in fresh leadership.
4. **Adoption of Promising Talent:** In some cultures, adopting a promising individual with a budding career, even if the founder has descendants, ensures the business remains competitive and well-led.
5. **Independent Board Governance:** In extreme cases, the business is managed by a professional board, with only one family member serving

as chairperson. This ensures that the business continues to operate with the same values while benefiting from professional management.

6. **Charitable Trusts:** Some businesses are transferred to a charitable trust, appointing a professional board to manage the company. This model ensures the company's values are upheld while distancing ownership from direct family control. These models align with the 'Three-Circle Model of the Family Business System,' developed by Renato Tagiuri and John Davis at Harvard Business School. This model emphasises the interdependence of family, business, and ownership. The success of family businesses hinges on the harmonious functioning and mutual support of these three elements.

The Value of Family Businesses: Economic and Community Impact

Family businesses contribute significantly to the economy and local communities in several ways:

1. **Economic Stability:** Family businesses often provide stable employment opportunities, contributing to economic stability in their regions.
2. **Community Engagement:** These businesses are typically deeply involved in their communities, supporting local initiatives and charities, and fostering a sense of social responsibility.
3. **Long-Term Investment:** By focusing on long-term success rather than quarterly results, family businesses are more likely to invest in sustainable practices and innovation that benefit the broader economy.

A survey by PwC found that 70% of family businesses have a clear sense of values and purpose that drives their decision-making, and 44% of these businesses prioritise creating jobs and supporting local communities as part of their legacy.

Statistics and Real-Life Examples

- **Statistic 1:** According to the Family Business Institute, only 30% of family businesses survive into the second generation, 12% into the third, and just 3% into the fourth generation and beyond.
- **Statistic 2:** A Deloitte study found that 40% of family businesses lack a formal succession plan, highlighting the need for proactive planning.
- **Statistic 3:** In a KPMG survey, 56% of family business owners indicated that they consider non-family members as potential successors.

Real-Life Example: Many Big Business Groups in India, and conglomerates with diverse business interests, have successfully transitioned leadership across generations by involving family and non-family members in key roles, ensuring the company's values and vision are upheld.

D e t e r m i n a t i o n : Ensuring the Legacy

Family businesses without direct lineal descendants can successfully navigate succession by embracing creative and strategic solutions that align with their values and legacy. These businesses continue to play a crucial role in the economy and local communities, offering stability, resilience, and long-term value. As we look forward to the future, we must also celebrate the past - 25 years of AMTOI and the enduring legacy of family businesses in the

multimodal transport industry. These businesses are not just surviving; they are thriving, proving that the legacy can indeed be in motion with the right approach.

Appeal: I urge all AMTOI members to actively participate in our initiatives, share your experiences, and contribute to our association's ongoing success. Together, we can ensure that our businesses continue to flourish and make a positive impact on generations to come.

We will catch up again after the AGM in the next term.

Happy Reading!

"The true strength of a family business lies in its ability to evolve while preserving the core values that define its legacy. Even without direct heirs, the continuity of purpose and commitment ensures that the business remains a lasting pillar in the community and a testament to the founder's vision."

Concluding Reflection:

As you navigate the complexities of succession planning and business continuity, consider these questions rooted in the Indian tradition of **Shravan - Manan - Nididhyasana**: You may consider the following three classic questions created for introspection using our traditional tools in Indian Thought System, the Shravan - Manan - Nididhyasana system: These questions foster a thoughtful process, helping the members internalise, contemplate, and integrate the Family Business Management Themes into their personal and professional lives.

Shravan(Listening and Learning):

- What are the key values and principles that define your family business, and how well have you internalised these in your day-to-day operations? This question encourages you to reflect on the core values of your family business, ensuring that they are not only understood but deeply ingrained in your approach to business. (Note: 'Listening' can be interchanged with 'reading.' The term 'Shravan' originates from the oral traditions in India, where knowledge was passed from Guru to student through attentive listening. This maintains the cultural context while making it accessible for readers to relate to in both oral and written forms.)

Manan (Contemplation and Assimilation):

- How do the succession strategies discussed in this editorial resonate with your own business continuity plans, and what new insights have you gained that could be applied to ensure the longevity of your business? This question prompts you to think critically about how the various succession strategies presented align with or challenge your current plans, encouraging you to assimilate these insights into actionable steps.

Nididhyasana (Deep Reflection and Integration):

- As you reflect on the legacy you wish to leave behind,

how can you ensure that your family business continues to serve the community and uphold its values, even in the absence of direct lineal descendants? This question guides you to deeply consider the long-term impact of your business on the community and how to sustain its legacy through continuous reflection and integration of new ideas into your business practices.

"By embracing the wisdom of Shravan—Manan—Nididhyasana, we can ensure that the values, vision, and legacy of our family businesses not only endure but thrive across generations, adapting to change while remaining rooted in tradition."

We are grateful to Mr. Ramprasad Ravi, Editor-in-Chief and Publisher of Gateway Media Pvt Ltd, Mr. Sandesh Vasant Mestry, a Family Business Advisor, Mentor, Speaker, and Writer, and Dr. Mita Dixit, Director and Family Business Advisor of Equations Advisors Pvt. Ltd., who have taken the time to personally interview these distinguished individuals and enhance the quality of our content. Their long association with AMTOI and unwavering support have been instrumental in our growth and proliferation. Please take five minutes to read these interviews, which are sure to enrich your knowledge and understanding of the industry. On behalf of AMTOI, we would like to express our heartfelt gratitude to our supporters for their invaluable contributions.



“

Special Feature

Shri. Shyam Jagannathan

IAS, Director General of Shipping

”

Leveraging digital infrastructure

“Maritime Single Window” is the biggest enabler that is going to happen for all multimodal logistics operators, freight forwarders and Custom brokers. This is one single window which leverages technology to reduce transaction time and improve transparency, informs **Shri Shyam Jagannathan, IAS, Director General of Shipping**

The government has been allowing foreign flagged vessels also to operate on the coastal routes. Have you seen any growth in coastal shipping?

Cabotage is globally accepted. The major concern at the Directorate is about the seafarers and their engagement. The immediate right of first refusal means if the cargo is available coast to coast, it should basically be the first right of an Indian coastal vessel. For near coastal voyages and foreign going vessels, this positive affirmative cover for Indian coastal trade, taking them ahead and allowing them to operate, is good because it also allows certain conditions to

be imposed providing them more sign on berths for Indian crew.

Completely doing away with Cabotage means there becomes an operational disincentive for the indigenous coastal element. For instance, an Indian crew signs on a foreign flag, he is not taxed because he is treated on non-residential status, but on an Indian flag the taxation immediately starts. This dis-incentivises the operation. In bunkering, we provide benefits for a certain vessel, but the same is not available within the operational cost for an Indian flagged coastal vessel. Providing them a level playing field and for the indigenous element, sensible Cabotage and incentivising foreign vessels to basically participate in the coastal trade will give a win-win, because it gives benefits in terms of logistics and also capitalises the shift in terms of Multimodalism.

We are building excellent highways; dedicated freight corridors and the ministry is pushing for waterways as well.

But still multiple handling is happening, and we are not driving the true sense of Multimodalism. When do we see Multimodalism actually become operational?

On the infrastructure side, multimodal shift would entail connectivity by rail and multi-lane roads which allows your containerised traffic to be evacuated or aggregated. MMLPs allow basically warehousing, storage and carriage operations. Ease of doing business here means, cost-to-cost whatever is cheapest. Flexibility for a port means getting cargo by rake and evacuated by ship, imported by port and sent upwards using waterways or you could shift to multimodal ways where the entire value chain for a particular product from raw to finished is identified and then from point A to point B is through multiple transit points where a particular part could be on rail or road and water.

The only point here is how easily the shift between the modes is

happening and the cargo handling being hedged for all operational risks and also being made cost effective. One consignment which can travel through one particular mode can be broken into multiple modes only if there is a distinct cost advantage. This is what is being proposed in this multimodal shift.

How much of technology is being used in your work?

A lot of big digital infrastructure is being leveraged. Our registration of vessels is online, operational permissions like special permissions for vessels to operate are done online/offline mode, but the processing time is 4-8 hours. We are working on an IMO stipulation of Maritime Single Window, which goes by the nomenclature "SAGARSETU." Any arriving vessel gives a notification 24 hours in advance. A shipping agent can do entire documentation with the Customs on the ICEGATE, procedures like port entry rules for health clearances, insurance, indemnity cover, fitness to enter into the port all is done online. This was made operational in January 2024 and all vessels entering into Indian ports will run on this.

In the backend we will have to integrate multiple service providers and authorities. For instance, when a vessel arrives, Customs is taking a declaration on its ICEGATE portal. They will now have to share information in such a manner that at the front end the ICEGATE will be populated with the arrival of the consignment and shares it with the maritime single portal which allows yards clearances

subsequently. The permissions for shore leaves for crew onboard the vessel will also happen. The port permissions, health authority permissions, harbour master and traffic manager giving permissions will all happen online.

Implying, any vessel arriving then would have the benefit of just-in-time. Ballasting, reporting in terms of ship to shore connectivity services and ancillaries to be taken in terms of tugboats, bunkering, garbage disposal will all be electronic. All this has been operational very fast. We are pushing forward for "E-SAMUDRA," which is a complete government to shipping and government to people interface. Rendering the complete DG Shipping virtual and electronic. We are also looking at an extensive maritime learning management system compliant with Standard testing and watch keeping, provides enriched content and end-to-end computerisation of certificate of competency and certificate of proficiency. The entire assessment framework is non-human intervention based. Thus, only quality, and well-trained certified seafarers will be rendered into the domain for maritime engagement.

You mentioned about decarbonisation in shipping. As per IMO goals, how much of it is happening in India?

Green corridors will be where you will be bunkering the right kind of fuel. For instance, Hydrogen. Government of India has set up three major ports like Kandla

and Paradip where an alternate fuel bunkering strategy, alternate fuel-based decarbonisation and deepening of the technology connect will take place. Technical measures like EEXI and CII will be brought in deeper for all vessel operators. The IMO is now proposing a market-based mechanism which should be finalised by next year or so. If that happens then carbon trading basically becomes a norm.

In the next one year what will you be focusing upon?

As per the Merchant Shipping Act my first priority will be the safety of seafarers. From the current 12% of global seafarer pool, we want to push to 20% by 2030. This can happen by showcasing Merchant Navy as an attractive career. We should train, equip, certify, and ensure Indian seafarers are a cut above the rest in terms of competition.

The second part is the sustainability connect. In addition to National Green Shipping Policy, we are also looking at international cooperation for commissioning "SACE-SMART," which is South Asian Centre for Excellence for Smart Mobility in Maritime.

The third priority is all operational aspects, be it the engine, deck, ship building/repair, recycling side, or leveraging the digital and IT platforms. My fourth priority is ship recycling. India has natural advantage; we are on the second position in terms of ship recycling. We have the Ship Recycling Act, but after the Hong Kong

Convention, the entire eco-system in Alang is being revamped such that India becomes the foremost nation for ship recycling. We will build our own yard capacities. Before we enter the more difficult domain of shipbuilding, we will also do the ship repair part.

While we are doing this, we will position each of our ports as multimodal hubs, so that we have the largest cargo handling, the multimodal and transshipment connect, and we also provide niche services like for liquid cargo we could do single point mooring and offshore SPM. We will reduce the turnaround times and provide transparent regulatory framework

which gives consistency so that businesses operating in this sector do not face huge policy shifts.

What is your advice to multimodal operators?

As of now we act as the Registrar in the Multimodal Act. I would request their associations to participate with DG Shipping because we are on a slightly antiquated registration platform. I have been in talks with AMTOI and FFFAI to partner in developing a platform where the registration can be done quicker. Their turnaround time and issues like delays in putting up documentation can be sorted out. On the support side, “Maritime

Single Window” will be the biggest enabler for all multimodal logistics operators, freight forwarders and Custom brokers leveraging technology to reduce transaction time and improve transparency.

In terms of operational requirements, the PM Gati Shakti programme is providing an infrastructure push by aggregating everything on a geospatial platform. I suggest, while they are doing the first part by designing a platform for all major connectivity projects, they should also have an interface which supplements the maritime operations in terms of ease of doing business.

An Interview with Team AMTOI and Mr Ravi Ramprasad, Gateway Maritime

Trivia

CIF - Cost, Insurance, and Freight

Similar to CFR but with the addition that the seller also pays for insurance against the buyer’s risk of loss or damage to the goods during carriage.

It’s crucial for parties involved in international trade to clearly specify the chosen INCOTERM in their contracts to avoid misunderstandings regarding responsibilities and costs.

Trivia

Containerization Revolution

The introduction of containerization in the mid-20th century revolutionized the shipping industry. Standardized containers allow for efficient loading and unloading, making global trade more cost-effective and streamlined.



**Long lasting relationships...
our secret of success!**

An interview by Dr. Mita Dixit with
Mr. Anand Sheth, Director CKB Group

**“Success is not final; failure is not fatal:
it is the courage to continue that counts.”**

Winston Churchill

Mita: CKB group is 107 years and three generations old. This is quite an achievement for a family business. Tell us about your family’s journey in the business.

Anand: Our roots are from Ahmedabad, Gujarat. My grandfather and his brother started the business with my grand uncle moving to Mumbai (Bombay). In those days we were called Mucadams and ours is the 11th Customs Agents Licence to be issued in the country.

My father migrated to Mumbai about 70 years ago. The business in those times was more the clearing work and was expanded into trucking and warehousing. I am the eldest in the third generation and with my three cousins we manage the CKB Group businesses.

Mita: What have been the milestones of business growth?

Anand: In 1957, my father and uncles started trucking business. In late 70s’ we started

warehousing business, initially on rent and later owned them. I joined the business in 1982, while studying in the college. When youngsters join the business and they have fire in the belly, the business is bound to grow. We were in Customs brokerage and in early 1990s we went into freight forwarding in a big way. We started container services to Mauritius & Europe with our own container equipment on the SCI Services.

In 1994 we opened an office in Mauritius and later in 1999 in USA and then in 2016 Kenya. Today we are a full-fledged logistics company providing all logistics services to the EXIM trade. We cater to 795 cities across the globe.

Mita: The hallmark of a legacy family business is its business continuity across generations. When cousins’ generation manages the business, possibility of differences and conflict increase. How do you manage differences?

Anand: We have a simple policy. In case of different views and beliefs, do what is best for the business based on a majority decision. We are brought up in a family culture where we respect elders and each other. We don’t call ourselves as cousins. We are brothers.

Yes, we have had our set of challenges but have learned to be open and transparent, communicate to resolve any issues. Our decision-making is consensus driven. We follow a few practices like all four of us taking lunch together in the office, entire family spending Diwali vacations together. These family traditions are a sure shot ways of keeping our bonding intact.

Mita: You mentioned about long-lasting relationships as the secret of your business success. Tell us more about it.

Anand: Yes. We believe in long tenured relationships with our customers, agents, partners, and employees. Some of our clients

are with us from the days even before I was born. We go the extra mile to keep our customers happy. I firmly believe, the secret of our business success is our happy customers and stakeholders. Our vision statement also speaks about "Customer Happiness" and not Customer Satisfaction. We put ourselves in our customers shoes to understand their problems and find solutions to them.

Mita: When the business grows, organizational challenges increase, especially retention of talented employees. How should companies manage this challenge?

Anand: To grow top line and bottom line, there are two essential areas companies

must focus on ... trustworthy relationships with employees and ability to adapt to changes, especially technological. Our industry needs a lot of technology infusion. Younger generation has excellent opportunities to innovate and bring new technology in operations. However hard work is a must, and they should be ready to work in the field and dirty their hands, technology alone will not bring success. Organizations can no longer take shortcuts for increasing their productivity and profitability. A culture of good governance is extremely important.

Mita: What is the continuity plan of CKB group. How is fourth generation shaping up?

Anand: We are at a stage where we, the third-generation members

will continue to manage the business for another decade or two. Our fourth-generation members are yet to enter this field. We are at the contemplation stage on how to continue our business legacy. Professionalization of the management could be one of the ways. Let us wait and explore the options.

Mita: Thank you for sharing details of your business and franks views about family businesses. It was wonderful to get an insight about your legacy business.

Anand: Thank you, Dr Dixit. I also found this interaction enriching. It is a pleasure to share my views with the industry fraternity.

Feature 2



Customer loyalty and trust are the corner stone.

An Interview by Mr. Ravi Ramprasad with Mr. Sushil Gupta, Managing Director Atlas Group

Loyalty and trust are the two main factors that drive the success in a business, opines Sushil Gupta, President and CMD of Atlas Group, a family business that spans across almost all spheres of shipping and logistics. Born in a working-class family, Sushil Gupta is a first-generation entrepreneur, a career he had envisioned in his schooling days. After completing his academics, he got his first

break in 1983, with a transport company in Kolkata. Thereon he moved to Nepal, where he explored the transport business between Nepal and Kolkata. During those days two major freight forwarders controlled 80% of the business in Nepal and Sushil Gupta offered transport services to them. Later, Sushil Gupta made his debut into freight forwarding offering services to Atlas Group,

a German furniture buyer. Thus, the name Atlas was coined for his business as well. Starting as a low-cost service provider and later introduced Nepalese plated transport system authorised by Indian Embassy to fly between Kathmandu to Kolkata/Haldia vice versa without transshipment which resulted shorten the transit time in significant way. The client got benefited in big

way saving cost by not sending their merchandise Kathmandu-Bangkok-European ports air/sea and diverted all business to Kathmandu-Kolkata-European ports. He soon developed a strong client base and started charging premium fee for his services by paying premium fee to Shipping lines like P & O Nedlloyd supported to offer space on all services/string from Colombo/Singapore. Thus, shortest transit time from Kathmandu to European port achieved 26 days compare to Kathmandu-Bangkok-European ports 32 days. **DELIVERING TRUST AT YOUR DOOR STEP** is our Tag line and we believe in it.

At that time, in Nepal business was more driven by relationship and not price. But now things have changed, and it is a price driven market. Atlas De Cargo introduced NYK Line into the Nepal market, prior to which only SCI was offering services there. Later, P & O Nedlloyd supported at Nepal in big way and achieved good market share. Sushil Gupta entered Indian market in 1997 with support of same German clients. P & O Nedlloyd support was key to support Atlas de cargo at India as well.

Today, he is assisted by his son (Nishit Gupta) and daughter (Neha Gupta) in managing the business. Neha holds a degree in Business Administration in Logistics from Singapore and has been handling the back-office operations for the past 12 years. Nishit Gupta is more interested in PR/Corporate sales. During his college days he used to learn the family business after attending his classes. Subsequently he started selling services to his friends and today Nishit Gupta

heads few of the business verticals.

“If the next generation joins you in the business, then it’s a very big merit, because they form an asset to the business and they can better manage the profit and loss of the business,” opines Sushil Gupta. The big advantage in a family business is that family members along with the office staff brainstorm on several business issues and arrive at a well-informed decision. “Getting the younger generation to work in our style is always a challenge. I let them work in their style, because if I force my working style on them then there will always be a conflict. I do not interfere much in their operations.”

Often family members, family friends and relatives tend to refer candidates seeking career in logistics to Sushil Gupta. This seems to be a common phenomenon in family businesses, but being a professional businessman, Sushil Gupta has the onus to only select well experienced candidates who deserve the position. He adds, “many times I receive such requests, but I do not entertain them, because I must be professional and honest to the organisation. I cannot take people who do not have experience or who do not deserve the position. For employing in my business, I only prefer professionals, and I do not compromise on that.”

Overseas expansions

Atlas De Cargo had also expanded its presence to the US and European markets. In 2006, they acquired a New Jersey based company called Bluemoon and later in 2008, but after managing these businesses for two years Sushil Gupta realised that those were not his target markets.

“Sitting in India and handling office in the US, I was not able to focus there much, I decided to close all businesses abroad in 2009, as my focus was entirely on the Indian market because this is a developing market. India is a growing market and so all the multinationals are coming to India. I got several offers from German and French businesses for establishing a joint venture in India, and I did joint venture with Bollore group, France in 2010 for development of India-Africa trade lane. We created a joint venture company called Bollore Africa logistics India Pvt Ltd which was from 2010-2014. The French representative from Bollore group was with us in our office to guide on this trade lane.

Succession plan

As a far-sighted entrepreneur, Sushil Gupta does have a succession plan chalked out, which he has discussed with his children, and they have agreed to it. “Currently I am the CMD of the company but going forward I will leave the Managing Director position and only retain the position of Chairman.” He also dons the hat of a crisis manager in the company. “If my kids encounter any critical scenario in the business they discuss it with me. This is the way knowledge transfer is taking place.”

Team effort is key to success of my business and hope children should handle with dignity.

Compared to the big business houses which have over the shelf services, Atlas De Cargo offers more tailored services to their clients, which helps in building strong business relations. In this scenario the family members are very important because

the interest in business and business culture is not conflicted.

The way forward

India is expected to become the third-largest economy in the world with a GDP of \$5 trillion in the next three years and touch \$7 trillion by 2030. "As far as growth in India is concerned, at least up to the next decade, we do not have to look back. So, we have the chance and potential to grow our customers. We have gone ahead with digitalisation and have

introduced data security software. Any corporate customer who approaches us will check what kind of technology we are using. So, the next generation is focusing more on technology upgradation."

Data security is going to be the next big challenge, because the biggest claims paid by any insurer worldwide relates to data security breach. One of the business verticals of Atlas De Cargo is e-Datapings offering customised software and data security services, integration of systems.

"We also operate an insurance broking company and are approved by IRDA. When I attend the worldwide broking conferences, I observe that the highest insurance claims ever paid by an insurance company belong to data breach claims." Data security and related technology will be the next big thing, predicts Sushil Gupta as he gradually hands over the baton to the next generation, well-groomed and determined to steer Atlas De Cargo on the high seas.

Feature 3



Vision for Fast Growth!

An interview by Mr. Sandesh Vasant Mestry with Mr. Vivek Kele and Mr. Nityam Khosla, Directors of Team Global Logistics Pvt Ltd

Teamglobal Logistics is a new-age logistics company established in 2005. It is a unique business model where two professionals who have been working for a long time decided to establish a logistics company. Over the years, the company has grown leaps and bounds; it has established 18 offices in India and expanded into the adjoining countries of Bangladesh, Sri Lanka, and East Africa. Their products and services range from LCL consolidation, Air Freight, FCL Forwarding to Container Freight Stations and Coastal Shipping. Let us see what the founders have to say about the organisation, its history,

current state, and future plans.

SM: In its silver jubilee year, AMTOI wants to publish the success stories of their members and would like to cover Teamglobal on Vision for Fast Growth. So, to start with, I would like to know how you met and started this venture.

NK: I graduated from Mumbai University, and Vivek graduated from IMDR Pune in the faculty of management science. We both were recruited from the campus as management trainees by a then large shipping conglomerate owned by Tata Group called M/s Forbes Campbell & Company, headquartered in Mumbai. This

is where we met for the first time. After working there for almost two years, a friend presented us with an opportunity to join Allcargo Logistics to set up their international cargo vertical as a start-up as an expansion to their transport division. After joining the company, we had the freedom to develop the international cargo vertical from scratch. With our complementary skills and knowledge of the business and having worked in and had exposure to formal and structured working environments at Tata Company, we built the start-up successfully and remained stable until 2005. In 2005, driven by an entrepreneurial spirit, we

decided to start our own venture. We gave our then employers ample time to onboard a new team and then exited gracefully.

In 2005, we started Teamglobal Logistics with the LCL consolidation vertical and built the business from the ground up. We decided not to touch any resources from our formal workplace and developed new capabilities and competencies, maintaining harmony at large.

Over the years, we kept on adding new business verticals in the form of FCL forwarding, air freight, and coastal shipping. Opportunities for partnerships in the CFS business came up, and we took those chances, growing the business organically and inorganically. During this course, we consciously expanded our footprint across the length and breadth of India and then gradually started expanding overseas.

SM: When you started, you already had solid industry experience in business operations. What steps did you take to build a robust business model from the very start of the new venture?

VK: From the beginning, we were clear about leveraging technology. Even before starting the company, we licenced an ERP system to run our operations, and our First Export Bill of Lading and Import Delivery was executed through the ERP. This helped us create a process-driven work environment and scale the business. Integration became easier when we pursued inorganic growth.

SM: How did you plan growth for the organization? Was there a

systematic process you followed?

NK: For organic growth, we have an elaborate annual planning and budgeting process. This system of detailed planning and data-driven decision-making have helped us scale the business faster. Every year, we have a two-day brainstorming session in Mumbai with our management team from all over India to understand market dynamics and changing business landscapes, identifying opportunities to pursue. We then create detailed plans and budgets at the customer level, allowing us to set targets and monitor the business progress regularly.

For inorganic growth, it is more opportunistic in nature. When an opportunity comes our way, we evaluate the same based on our strengths and our ability to manage them, and we then decide to make those acquisitions.

SM: Since you plan so well, how do you review your plans?

VK: We take reviews very seriously. Every month, we dedicate a week to reviewing in detail the performance against the plan for each of the branches and business units. This helps us understand what has worked and what has not, allowing us to make timely course corrections. Reviews are the backbone of our planning and success.

SM: How do you decide on growth opportunities and manage differences of view, if any, in pursuing those opportunities?

NK: We discuss opportunities and planned growth in detail among ourselves and with team members

involved in those projects. While differences may arise, we resolve them through discussions. Once a decision is made, we move forward without turning back. Our operational team is equally involved in planning and executing projects, we ensure that we take their input and that they are committed to the project before proceeding, as they are responsible for delivering results.

SM: Managing and retaining talent is one of the key challenges. How do you manage it?

NK: We have an elaborate process for this, which Vivek can explain better.

VK: To retain talent, we focus on three things: a good working environment, clarity of expectations with freedom to work and career growth opportunities. We provide a conducive working environment and do not interfere in day-to-day activities. The expectations are made very clear in form of budgets in beginning of the year and the boundaries are set; then the employees are empowered to achieve the results.

Our review systems help us understand progress regularly. We give them constructive feedback and take time to mentor them to address the non-performance issues.

Since we are growing organically and inorganically, we regularly offer career growth opportunities to our employees. We believe in promoting our existing employees to higher levels and challenging assignments. We groom talent internally, often promoting management trainees to

managerial roles. Additionally, our learning management system helps employees acquire the necessary skills to improve their performance.

Another important factor is the exposure our employees get through our global partnerships. They regularly travel internationally to work on assignments. This allows them to understand business dynamics in the context of the global business environment, exposing them to best global practices. This creates a sense of belonging to the organisation along with a spirit of partnership, this also helps them in their personal growth as individuals. This organisational culture helps us retain talent.

SM: Developing managerial talent through internal team members is one of the most difficult tasks an organisation faces. How do you manage it?

VK: Our Learning Management System has a module for managerial people to upgrade their skills and become better managers. We also set out clear expectations from our managers. Since they are part of the budgeting process, they know what is expected of them. Additionally, our HR organises training programmes with external faculties to help build their managerial and leadership skills.

SM: Another challenge is setting goals and managing performance. What process do you follow?

NK: Our budgeting exercise helps us set goals, with key managers being part of the process, making them aware of the results they need to deliver and the resources that are available to them to do the same. Our monthly review mechanism

helps us review progress, and we have a performance management system in place. We provide feedback and mentor employees for better performance. We will soon introduce a balanced scorecard process in our organisation to manage overall business performance better, along with individual performance.

SM: In the past 20 years, business dynamics have changed, and there is pressure on margins. How do you protect your margins?

VK: To be honest, the margins are not very high, and it is a challenge as prices are market-driven and competition is increasing. Our strategy is to optimise costs and manage higher volumes within the same costs through the use of technology to generate adequate profit. While profitability has decreased lately, maintaining higher business volumes and cost-effective execution is our mantra.

SM: Another perennial challenge in your industry is the collection of outstanding dues. How do you manage that?

NK: We are a system-driven organisation, with credit controlled through the system, which helps us manage collections timely. Our bad debts are negligible, and collections are on time. Another important factor is that our business principle is to pay our suppliers on time. Naturally, when the mandate is to pay your suppliers on time, you automatically set yourself a goal for timely collections. This internal discipline, along with system-managed credit limits, helps us raise timely flags for collection.

SM: In your industry, multi-generational family businesses often feel advantaged against

professional businesses, as the customer views them as knowing that they will always be there to serve them. Do you see this as a roadblock for a professionally driven company like yours?

NK: Not at all. Our website displays everyone's contact numbers, including ours, making us accessible to clients. Employees know that bosses are always available for escalation, which makes them prudent in managing clients better. We maintain a basic level of service that is good enough to satisfy clients, though we may not go overboard.

SM: Your business is professionally managed. How do you view ownership and the rewards of ownership?

NK: For us, management and ownership are separate. We get compensated for our managerial roles, and we also have a dividend policy for our investments. We do not follow a drawing policy that is often prevalent in most family businesses, where money is drawn from the business based on the need.

SM: The world is looking at India as an emerging market with opportunities. How do you view this situation, and what challenges do you see ahead?

VK: There are many new opportunities, and we aim to grow two to three times the GDP growth rate. Major challenges include having the right talent and making prudent investment decisions for both organic and inorganic growth. We are considering creating a governance model with independent directors to provide fresh

perspectives and help us create a suitable moat for our business.

SM: Do you plan to involve the next generation in managing and taking the business further?

VK: We are clear that the next generation can have ownership,

but they may or may not manage the business. They should understand business dynamics, and we are grooming them to manage professionals at the board level rather than being managers themselves. That is the ownership role we are preparing them for.

SM: Thank you, gentlemen. It was a pleasure talking to both of you. The insights you shared will be useful for many family businesses in this space, as professionalisation is key to sustainable growth in family businesses. Thank you.

Feature 4



Family Business Dynamics

An interview by Mr. Sandesh Vasant Mestry with Mr. Vipin Vohra and Mr. Vaibhav Vohra, Directors of Continental Carriers Pvt Ltd

SM: Can you tell us about how you got into this business? You are a second-generation member. Right. So, what drew you into this business?

VV: My father founded this company in 1957 with my uncle and took over full control in 1967, when my uncle passed. At the time, we were a small company with only four employees. However, in 1967, textile exports from Delhi began, and we were among the first to enter the market. It started in northern India, where the manufacturers had relatives living abroad.

As a result, every night at supper, there was a conversation about what had transpired that day, which piqued my attention. I graduated from Shriram College of Commerce and wanted to study overseas. My mother and father, however, refused to let me go

because I was the only son among five sisters. They argued that if you are going to do the same business when you return, there is no point in going abroad. At the time, the firm was expanding. I was told to join the company and split the workload with your father to equal one plus one eleven. So, in 1975, I graduated and began working in business.

According to IATA estimates, we were either first or second in terms of exports at the time. For nearly 20 years, we were the number one and number two in airfreight, according to IATA records. We accepted the contract to handle all imports at Delhi's Palam airport (now IGI Airport). The CWC warehouse was located around five kilometres away from the airport. They awarded us the whole contract to transport the cargo from the airport to that location. At the time, almost 300

people were deployed on that mission. We handled the contract until 1986. I recall that it was the height of the Asian Games' TV frenzy, and the entire airport was packed with colour televisions. My father would go to the ministry to discuss how to handle such a load. So they ultimately handed us two halls in Pragati Maidan, and we were the ones who moved the entire TV freight there.

When the new airport was operational, the airport administration intended to do it themselves and asked us to give solely labour, which we declined because we were not a labour contractor. We lost that contract.

During those days, there were air export and space difficulties that we had to deal with on a daily basis, which gave us a lot of clout with both airlines and government organisations. I haven't looked back

since 1975, and I am personally involved in all departments.

When I first arrived at the office, my father told me to sit in every chair and study the job there before coming to sit in his chair. He told me to be aware of what is going on in the firm at every desk. It took me two and a half years to finally sit in his chair.

I learnt how to prepare shipping bills, which were handwritten at the time, airway bills, customs clearance, warehouse, and everything else by doing it myself.

SM: Do you think this type of training has helped you a lot in life?

VV: Oh, yeah. It was quite helpful to me. You know, now I can delve deeper into the problem. If somebody comes in with a problem, I can solve it because I worked on that seat. They cannot fool me.

SM: You can visualise what will happen next.

VV: Yeah, what will happen next? That is a significant edge that I gained from that training.

SM: Did you use the same induction procedures for your children?

VV: Oh, no. Let Vaibhav explain how he got initiated.

VV: When I started in business, times had changed, and everything had gone digital. I attended school in India and graduated from Babson Business College in the United States. So, when I chose to return to the business, we were in the process of modernising our IT. We were using an offline FoxPro-based system, which was excellent when it was deployed in the 1990s. However, as of 2007. There was no support, and you couldn't even get a coder to

maintain FoxPro, thus it was out of date. I was always drawn to the IT side, so we went with an ERP, which was a hard process, but we deployed our first ERP in 2009.

SM: What problems did you confront during that process?

VaV: First, grasp what the ERP can accomplish for you. Second, train your employees to understand. Third, mentally prepare for the costs associated with IT automation. As a firm, you must recognise that this is a capital investment that will yield profits over time. This took us a little bit since we had a twofold cost factor for about 2 to 3 years because we had to run our old processes alongside the new IT processes until they were fully deployed. During this process, I had to relearn finance and accounting, as I had previously studied finance in the United States, which was completely different from finance in India. When you start comprehending India's compliance, you truly understand.

I still remembers what one of my professors in the US had told me, when I asked his advice on should I stay back for an MBA or go back to India — as back then we were having one of our differences with one of our partners in our family business. He answered, "Go back to India and work in business there." Why are you sitting here and learning? You'll have to start unlearning. So, start unlearning and get active in the business. I recall that period as an interesting time to learn about finance, compliance, and everything else, as you realise how complex things are

SA: Do you believe that what your father learnt by performing manually on each workstation, you learnt with the adoption of ERP systems?

VaV: I believe you understand the processes, how to get things done, and how to interact with others; after all, the key goal is to complete the work. Also, when my father entered the firm, it was a controlled industry with a license raj; when I joined, the situation had changed, the licenses had been removed, and the paperwork had been significantly reduced.

SA: Tell me, Vipinji, did you have any competition back then like you do now?

VV: Not much. At the time, I believed it was a high-end business to enter. There were only five or six companies at the national level. And we were the first company from Northern India who became national level. There were companies from Bombay with subsidiaries throughout India. There was not even one agent in Northern India or South India who were all India. So, we were the first to expand our company throughout India. We opened an office in Bombay. When we lost the contract for Delhi Airport in 1986, we opened subsidiaries throughout India, including Delhi, Bombay, Madras, Bangalore, Calcutta, Ahmedabad, and Pune. Because we began import consolidation. There was a monopoly of these four big companies in import consolidation and there was a cartel amongst them to work in certain regions and they were making lot of money. When we entered, these people were really resistant.

SM: How did you handle that?

VV: A lot of people didn't want anyone else to enter the market. However, due to our power with the airlines, we were able to obtain permissions within two months; at the time, obtaining

clearance from Air India was a significant achievement. We also had links with ministries in Northern India, particularly in Delhi, which helped us much.

Aside from Air India, we began working with foreign airlines, and within two to three years, we were among the top three in import consolidation. We were key in bringing the big boys into India, such as BAX Global from the United States, Union Transport from Germany, and Concorde from Singapore. All these big companies, we signed agreement with them.

From 1986 to 1991, we had a successful business. When we first signed with BAX Global, they sent barely one kg per year; when we departed, we were shipping about 2000 kg per month with them. Then in 92, when the government opened up, you know, that multinational companies can come into India, we were the first one to approach by BAX Global. They said, Mr. Vohra, do you want to sell your company? Tell us what price you want and we will pay it.

You see, my father loaded the trucks himself. He said, till the time I am alive, this company is not for sale.

SM: You never sold the company?

VV: No. BAX opened their office, took my employees, and, you know, took the business. My strength, however, is my local business. You know, seven times my agents have opened an office in India. First came BAX Global, then UTI, Indian Transport, Airborne Express, Hellman, Asia Shipping, R.E. Rogers, and so on. Like this, seven companies, we were doing so good business with them and one day, they said, we want to buy you. Everybody made the first offer to us. We refused because, you know, I had

my sons studying in the US. What will they do when they return to India? That's what I was thinking.

SA: Vaibhav, did you know this back then?

VaV: We were aware because of the dinner table chats at home. When Hellman asked us to sell, I contacted my professor about it in the United States. I actually went to him and spoke with him. He was an excellent educator who also worked as a consultant for Fidelity. He asked some key questions and stated, "Look, what do they bring to the table?" What have you brought to the table? Then I had a pretty candid chat with him; it was my first time learning about the industry. In fact, when you see that you have so much involved in a business from a family standpoint, you become acutely aware that this is something you must do as a member of the family. That DNA is with you. It is something you have to do; you did not second-guess. You just know there are stormy waters. You need to come in and set sail.

It has happened seven times: your business was on the ascent, and then your agent left. And then we go again, stronger than ever. Because of our local business strength. Today, also, 70% of our business, we control. We are not agents rooted, on the contrary, we give them business. This is our strength. And this is how we are surviving.

SM: Did you plan this, or did it just happen?

VV: No, this was not planned. You see, we were always doing a variety of activities. We had a strong local presence. Our clients had developed comfort with us, as with Multi Nationals, they faced the challenge of whom to call. They are not dealing with a single individual, and the majority of the work is channelled through an

IVR system. Furthermore, if it's a foreign agent, the other person may speak in German, leaving the consumer unsure how to answer.

For last 40 years, we are dealing and handling our customers, we have developed family relationships. We attend their social events, and they are invited to our family events. The relationship is strong since it is associated with a brand and has a reputation. At the same time, you must meet all of your obligations. In the service industry your relationship can get to some delta. Customers feel at ease working with us because they know we will never lie to them. In reality, in many circumstances, we tell them, "Look, we are not the best for this assignment; this is not our speciality." Why don't you go to this company? Because for us, our relationship is more important than just one or two transactions. It boosts your credibility and creates new opportunities. At the same time, your delivery and service levels must meet market standards. So you must establish an organisation that serves them in the same way that anyone else would. What the relationship is doing is giving you the report card and a true discussion on that report card. To say, "Look, you versus company X, you know, this is the weakness." You can enhance these areas over the course of six months or a year. And to be honest, people want to work with companies and build their vendors because they also need good companies which are reliable. Right? And reliability is one thing that we see across the market, and when we speak with clients, they are all aware.

In our industry, where turnover is significant, one source of reassurance is that Mr. Vipin Vohra will not leave. We can see him sitting here. In our field of work, difficulties will arise. You can't say

you'll be able to give everything because there are so many moving elements, but how you deal with the problem, solve it, get involved, and collaborate with them to get through the circumstance is what distinguishes us.

As professionalism grows, biddings, including reverse biddings, begin; you have no choice but to be competitive, which includes sharpening your pencils. If someone else provides that service, you must likewise do so. If anyone offers that price, you must match it. Another issue is that if exporters encounter a problem or difficulty, the first thing they do is contact me - Vipin ji. This problem has occurred; how can we handle it? So they know there's one man sitting over there who can offer us the greatest counsel. You know, when a number of US textile industries declared bankruptcy two years ago, there were many exporters. We're coming to your house and office, Vipin. We have so much money stuck, our shipment is halfway through, we are on the way, what should we do? I helped everyone, you know, on that day and help people save crores of rupees. All of these companies, anytime an issue arises, the first call they make is to me; that is the amount of faith they have now.

SA: Your father started in customs broking, then you got into trucking, and then air freight. You've advanced and are now entirely digitalised. You are the owner of the first container air freight station in India. Yes. What is the vision beyond?

VV: You know, we've always been thinking ahead of the curve. In 1985, we dealt with a department store situated in the United States. I met with their logistics team, and he enquired whether they wanted to start hanging items outside of India. In 1985, this was a foreign

concept. I said, "Give me two months, and I will resolve this issue." They stated that they pay an extra dollar per item, hence they prefer hanging garments in the air freight container or sea freight container.

We returned and approached customs; they said it was not possible—how can you write instead of 40 packages, 4000 pieces? We stated that this is occurring internationally. My father took an official customs officer to Hong Kong to examine the warehouse, show him how it works, and then returned, and that is how hanging garments began in India. We were the firsts.

In another case, we were dealing with a US-based store that had constructed a new warehouse in Ohio. At the time of distribution, each box included a custom seal, wire, and seal. The first day of the warehouse's operation, the entire conveyor belt broke due to the seal, and we received a bitter email from the client asking, "Why did you put this seal in it?" They damaged our conveyor belts, and we do not want this to happen again. We went to customs, and they said, "No, this is customs rules, you know." We cannot do away with the seal; every shipment, including large boxes, must be sealed. My father battled for it, and it was eventually abolished from India as a whole within six months.

So we were constantly thinking ahead of time. Many folks do not know these facts. We used to travel abroad to visit our agents. We used to observe their pallets being handed over to the Airlines. Till 2013, this concept was not present. So in 2013, I said, "Let me take a chance." I filled the form which goes to Inter-Ministerial Board for getting approved for AFS- I want to, start AFS- Airfreight Station. The Inter-Ministerial Board did not know what to do. There

was no policy. I kept following up with the ministry to find out what happened with my application. In 2013, the Inter-Ministerial Board delegated policy development to the Ministry of Civil Aviation. People from the Civil Aviation Ministry presented it to the Terminal Operator. The Terminal Operator were not in favor. They posted the draft policy on their website for feedback. I pointed out on each and every point. AFS does not have to have these items. I struggled about it, went to the ministry, and then to visit the economic advisor, describing the entire issue. Finally, in 2014, the AFS policy was developed. And it was announced, within two months, we applied based on that policy. Letters were coming in from all over. In 2016, they enquired whether warehousing was permitted at the planned location. We gave them all SDM certificates. Finally, in October of 2016, the Ministry of Civil Aviation approved our AFS station. At the time, the Inter-Ministerial Board was under the Ministry of Commerce, but it was later transferred to the Finance Ministry. We went to Customs and they said, "What is this?" We know nothing about it. Civil Aviation did not consult us.

At every point, whether it was Commerce, Finance, or Civil Aviation, I had to explain what this was all about and how it needed to be done. Because there was no policy at Customs, they would pull out the CFS policy and point out that you needed to have this and that. I am not earning anything currently, but I need to invest around Rs. 20 Lakhs on the computer system. Everything has to be approved by the board, which wastes time. They began to ask so many ridiculous questions that there must be one in-gate and one out-gate, just like CFS, even for a 10,000 square foot facility. It took me approximately ten years

to struggle with every department. Furthermore, the terminal operators were poking their noses into everything; at every point, they were attempting to, you know, hold this, because of their clout in every ministry. I battled for it on my own in every aspect. Finally, customs had to accept it, but they told you couldn't move freight until you were RA3 approved in Europe. RA3 is approved by someone from Europe who comes here to approve your company; we selected two or three individuals, and they said they could come after six months since they were busy. Finally, we got someone from London. She arrived soon. She approved our RA3. We have been paying around Rs. 20 lakhs each month for the past four years with nil revenue.

Even after 13 years, I'm still fighting alone. Every month I visit the ministry. There are seven ministries engaged, and ten secretaries have changed over time. First, the policy. This was on the Prime Minister's agenda during his first term in 2014, and I continue to advocate for it. As a final resort, I plan to write to him.

SA: So what happens next?

VV: You know, the job is to find a solution over AFS, and hand it over to them to run. And then I'll proceed to the next thing. I am working on our own large warehouse. We have a 12-acre land tract near the airport. We already have warehouses for Vistara and Air India. This will be another project.

SM: How do you view it as a business? Isn't it frustrating at times to wonder why we're doing this when nothing moves?

VaV: This is where you differentiate; else, you'll be fighting in the daily grind. You'll be occupied even if you only do the basics. You will

create disruption only from doing different things. This is where you can shape the organisation's long-term future. When I returned and became active in the business, I witnessed the struggle, and we saw our father face obstacles. We now understand how to plan timelines and manage expectations. You become frustrated because of expectations. If I thought that a project like this would take ten years, what if it only takes seven? Good for me. We learnt to be realistic about our approach. We prepare for the worst-case scenario and then focus on reducing costs wherever possible.

If I were an entrepreneur, I would have launched a startup. I wouldn't be aware of all these troubles. Because of the family business platform all such experineces are readily accessible to me.

SM: Do you think having international offices is advantageous?

VaV: It is mostly dependent on your business plan. Indian customers' service standards have significantly increased. Europe and the United States are experiencing a massive labour shortage. They do not have people. They outsource a large portion of their backend activities to India, the Philippines and Thailand. Having offices is relevant because we are able to serve your customers better. The decision of whether you want to create a full-fledged operating office with 50 workers is entirely dependent on your customer and their strategy. We're in the service industry, if you look at it historically a lot of global companies opened offices in India when their customers set up shop in India. They were forced to establish India offices. When you consider India's expansion and how Indian companies intend to establish themselves abroad,

you will need to take risks and collaborate with them in order to better serve them. We're all part of the trade. We know that some organisations thrive solely on one consumer worldwide. So it depends on your strategy.

SA: If you create offices abroad and transfer people from here to work there, how likely is it that they will stay with you?

VV: You know, we were the first to open an office in the United States in the 1980s. We have our own office in logistics in the United States. We staffed that office from India. Most of them were freight forwarding people from airlines. They were exceedingly devoted, but once they received their green card, their worth soared. I had an office in London for approximately 20 years. That was our courier office, which we exited. We may eventually create new offices in China and Europe. It remains unclear if it will be a fully working office or a marketing front office.

SM: Currently, how many family members work in the business?

VaV: Three: myself, my younger brother, who also graduated from Babson and originally worked outside before becoming drawn to the family business and my father.

SM: How did you manage to attract the next generation family members to the family business? According to my observations, it is the most significant difficulty that family companies confront around the world.

VV: I believe they decided that it was a worthwhile business venture.

VaV: The business was going through a difficult period when I joined. As I previously stated, one of our partners had left us,

resulting in a bit of a dilemma. So, at the moment, you must draw up your boots and show up. I suppose one positive aspect of this company is that once you get involved, you find it engaging and begin to understand the true nature of supply chain. I found it intellectually fascinating. In your everyday routine, you may sit there and haggle pricing; that is part of the business; you must do it; but, the main business is to provide solutions. When you begin to achieve success gradually, you become interested in the business. Also, for me, the scale was very good and I was getting exposure to go travel many places. When I speak to my friends who are in different businesses, many of them do not get the opportunity to travel, say like 20 cities in India. They are blind to the possibilities of what is happening around them and the emergent opportunities which they might look at.

VV: When the third generation joined us, they developed new business verticals. We were always strong in textiles, but with their arrival, they expanded the business into the automotive sector.

SM: How do you manage things amongst yourselves? Is there a defined role for each of you?

VaV: I don't think we've achieved perfection yet, but that is a path forward for us.

SM: Are the areas defined?

VaV: I would say yes, defining roles is part and parcel of your work, and that helps. The firm is divided regionally among us, and my father also oversees the company's finances. It relieves stress among us. I don't think working with family is easy; but the challenges are the same, the only difference being here, your boss is

your dad. I think, being optimistic is critical. Only when you are pushed will you be able to solve problems and grow as a person.

SA: Vaibhav, as a next-generation family member, what do you believe are the success factors?

VaV: Creating the correct teams is crucial. As shareholder management, you must eventually become involved in strategic responsibilities such as an AFS project, which will result in 10X growth and 100X wealth creation. If the promoter's energy is completely spent by managing the everyday routine, there will be little value created. As a result, you must exercise caution while choosing your battles. That does not imply you should abandon day-to-day operations; you must have procedures and personnel in place to operate the business. You have to keep one ear on the ground. However, as you become involved in significant strategic endeavours. Then only your role is justifiable and relevant to the organisation.

What we are attempting to do is develop the ability to pool functional expertise in the strategic thought process and establish a matrix organisation in which we can pool required resources for a project from various departments and create knowledge base project teams to work on it. When you look at India, each region has an own worldview. I can't expect someone from Punjab to understand how Maharashtra works. They do not. Every region is like a country in itself, hence it needs a different treatment, hence regional working. You must incorporate a local flavour into your regional effort for it to be effective.

SA: Amongst family members, how do you review or how do you develop make strategies

for the future. How are disputes addressed and resolved?

VaV: Excellent question, as this is a work in progress for us. There are always dinner table conversations and individual level strategy discussions. But as the organisation grows, it has gotten increasingly structured, as controlling scale is one of the most difficult tasks. Perhaps we might consider an outsider, such as Mr. Sandesh, who can look at the task objectively and propose a whole different approach.

So, like all businesses, you reach a point where you can bring in some outside aid to give you a different view on your firm. Be clear on what is short term, midterm and long term and break that into your particular room to understand what kind of uncertainty you are dealing with. Among family members, be clear who is part of management and what role they will play; if you are not part of management, be explicit about which areas need to be professionalised. **SM:** Given the size of your business, how has professionalisation benefited you? Do you promote internal talent or attract talent from outside?

VaV: We do provide opportunities for internal talent to advance, as they have hands-on expertise in operational areas. Automation also aids in process-driven work and increases system transparency. Hiring talent from outside requires caution since you may have a really good individual, but if he does not gel with your culture, it will not work. Alternatively, you may have someone who is not very talented but can fit into your organisation today is more relevant.

One crucial aspect is to consistently communicate with your employees. You must be

honest with individuals, remind them of their ambitions, and show them their career prospects. I was reading something which is very nice which states \ that people are either driven by financial growth or intellectual growth or by power growth - which is designation or authorities and decision making power. You must identify the right skilled people for the proper roles and meet their aspirations. You must collaborate with those pursuing financial progress in order to assist them reach their goals. However, if someone is on an intellectual growth path, you must offer them assignments that will push them intellectually. Those who crave power and authority must be placed in positions and trained on how to use that power for the benefit of the business. Fitting employees into the correct function is critical.

SM: As you grow, there is also the issue of old vs new employees; how do you deal with that?

VV: You won't believe one of our directors has been with us for 56 years. Without a doubt, such loyalty is uncommon today. However, as Vaibhav pointed out, if we place the right individuals in the right jobs that align with their goals, your retention rate should be greater than the industry average. Finally, we are in people's businesses; as owners, we must learn the art of effectively managing them and achieving the necessary results.

VaV: I would describe human resources as our nervous system. Manage it well, and your chances of success will increase. Sometimes I believe it is more important than financial management. We need to learn from other industries, such as how non-doctors run hospitals and how do non-engineers run automobile companies?

I believe that talent management is the key role of management; currently, having a competent HR department, rather than just payroll administration, allows you to establish a strong loyalty factor. With 20 offices, you cannot centralise control. I can't handle the local Chennai situation from here. Improving your HR systems is now cost-effective due to the availability of various SAS-based systems; all you need is the will to apply them.

SA: As previously stated, you have received several offers to take over the firm, but you have declined, and the business has remained in the family. What will your response be if such an offer comes up again?

VV: I believe it is God's grace, and we are fortunate to be a family company for generations, and our business has allowed us maintain the proper lifestyle. Fortunately, my sons were equally enthusiastic in working with me and taking the firm to the next level; without their backing, it would be impossible. This enterprise has helped us build wealth.

VaV: What will happen to the next generation? I am unsure. My generation is happy to be a part of this industry, but if my children want to pursue their passions, we cannot compel them to join. We need to be clear about this. At the end of the day, are we motivated to go to work every morning? That's vital.

SA: You received an offer seven times. In the future, if you still receive an offer, how will you respond as the next generation family owner?

VaV: We are humans, and this is a decision you make. This business keeps us active, which we like. When the action becomes too much, you may find yourself making a decision like this. I

believe it will depend on the conditions at the moment. I believe in the phrase "Never say Never."

SM: Vipinji, do you have intentions to step back?

VV: Yes. Yes, I would. I'd love to. I am now 68 years old, and my next generation is completely committed in the business. I can unwind and enjoy life, and I may take on an advising role for the business, industry, and ministries, where I can share my knowledge with them.

SM: How does your family bond?

VV: Every year, we all travel away for family vacation. We're all going on vacation for ten days starting next week. Our whole family. We meticulously prepare and look forward to these getaways. Most significantly, it will be entirely family-oriented, with no work spoken during these times. We just relax and play with the grandchildren. As a result, the holiday destination is chosen based on the compatibility of the grandchildren; we must choose depending on their age group.

In Delhi, my son and I have lunch together, and whenever Vaibhav flies to Delhi or we visit Mumbai, we arrange family dinner dates. Family bonding is very essential to us. For me, playing with the grandchildren is the most significant stress reliever.

SM: Thank you for openly expressing your ideas with us. It was an enriching experience for both me and Sharmila. I hope our AMTOI members gain valuable insights that they can apply to their family company.

Thank you again.

The interview has been edited for clarity, conciseness, and coherence. Certain passages may have been rephrased or eliminated to improve readability while preserving the authenticity of the interviewees' comments.



Summits and Shadows: A Trekker's Journey from Late Beginnings to Mountain Dreams

Mr. Vasant Pathak

Convenor AMTOI Western Region Chapter

Hello friends, to pen down my trekking experience was like reliving the unforgettable moments of the treks that I undertook.

I will always regret the fact that I started trekking very late in life, at the age of 49 years. It all started with a group of friends, who as a team initiated and formed a trekking group 17 years ago, & named it SPARTANZ, after the Greek word SPARTA, an ancient Greek army who were a feared and formidable military force. This group has eight senior doctors and a couple of friends who join us every year from USA who were instrumental in me joining. This group of hardcore avid trekkers motivated me to never look back due to which I have completed 15 treks in India and Nepal over a period of eleven years. Trekking has now become my only passion, and as aptly said in the trekking fraternity: "The mountains are calling and I must go," I keep looking forward to my next trek with bated breath.

My trekking experience has been an enriching journey with every trek being different, posing new and unpredictable challenges but at the end has been incredible, leaving behind a sense of fulfilment and accomplishment.

Though every trek has its own

story, I would like to share my experience of the last two treks. The first was Everest Base Camp (EBC), where I had the honour of carrying the AMTOI flag and the second was the Great Lakes of Kashmir where I managed to reach the Gadsar Pass which is at an altitude of 4200 meters and happens to be the highest



walkable path in Kashmir region. Preparing for a trek is extremely challenging, as one must maintain the fitness level throughout the year, by inculcating discipline in the daily routine. It is a continuous process in which you need to keep working on your fitness throughout the year in various forms like yoga, meditation, Pranayama, walking and other ways which one is comfortable doing. Collecting trekking gears is also a very important part of the trek as the climatic conditions during the trek are totally different

than routine and one needs to be prepared for the worst. Without proper fitness the trekking experience can be nothing short of a nightmare and instead of enjoying the trek you end up wanting to complete it somehow. I remember meeting people who have never trekked in their life, deciding to go to EBC and suffering from drastic drop in oxygen level and suffering from sever AMS (acute mountain sickness), thus being evacuated in emergency by helicopters halfway through the trek and eventually hospitalized at Kathmandu.

Trek towards EBC was fun filled but was challenging at the same time and you ended up being surprised with the varied terrains, the beautiful snow clad mountains and breathtaking landscapes, the most beautiful being Lhotse, Makalu, Cho Oyu, Nuptse to name a few which were absolutely mesmerizing. Enroute EBC, we came across village, Namche Bazar, which is the home town of Sherpa Norgay Tensing who had accompanied Edmund Hillary on his first summit to Mount Everest, where a beautiful Museum is built in his memory. The trek involves walks between five to ten hours a day depending on the elevation & altitude one must cover, with temperatures

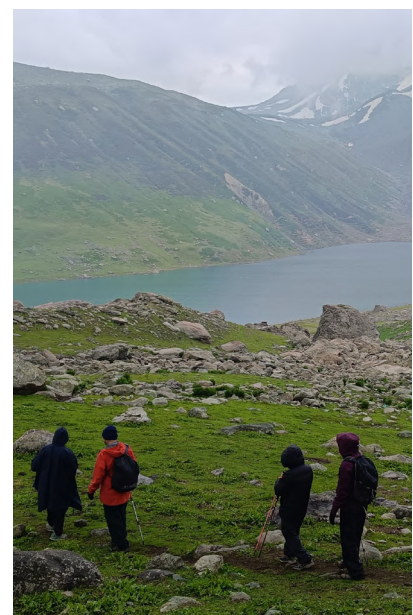
ranging between 8-10 degrees to minus 17 degrees Celsius. This is the time to experience the sheer joy of being with the mountains all by yourself, introspecting and experiencing the greatest joy of absorbing the beauty of the mountains, with every moment being filled with excitement. There are days when we could walk a distance of about 3 kms and the time taken to cover this distance would be nearly 8 hours as some paths are so tough that you take one step every 2 breaths and then synchronize it with your breath. Despite walking for hours, fighting hypothermia, when you finally reach the summit, the feeling is a mix of a sense of relief, exhilaration, joy of having achieved something, the sense of battle fought and won combined with a sense of submission and gratitude, towards the great mountains surrounding you. The tears of happiness wash away all the tiredness before the return journey begins. It is a joy which lasts a lifetime. The experience is extremely humbling and changes you completely. The man who has been to the mountain is never the same again. Having travelled to various parts of the world, there is no better place in the entire Universe as Kashmir, is what I can vouch for during my trek to Kashmir Great Lakes. This trek was moderately challenging and involved walking on a mix of rocky paths, meadows and ridges, with some steep ascents and descents. One can keep walking on the meadows for days and the feeling can't be expressed in words. On the 4th day of the trek we got the splendid view of NANGA PARBAT which happens to be the 9th highest mountain in the world and is situated in Pakistan. We were just 18 kms. from the LOC, but felt jealous that the most beautiful

mountain was not a part of India. There are 5 lakes and each one more beautiful than the other amidst the mountains and meadows. To name them Nichai lake (11500 ft.), Vishansar Lake (12,000 ft.), Kishansar lake (12,500 ft.), Satsar lake (12,000 ft.), Gangabal Lake (11,500 ft.) left me glued and smitten by its sheer beauty. During the walks I met several army personnels of Asam Rifles Regiment who were extremely cooperative and diligently



patrolling the region. They walked the mountains throughout the day, which is commendable, with no mobile network and tough living conditions. During treks, one must be prepared for drastic change in climatic condition. There were nights when I was freezing in my tent with heavy rainfall outside. Despite layers of clothing and a sleeping bag made for minus 20 degrees Celsius, nothing brings warmth and I have had to tide through the night waiting for the sun to rise. The real test is when you must attend to nature's call, cursing yourself for being in that situation. One thing that I must mention, were the extremely helpful attendants, accompanying us on our trek, ready to assist us in any condition, cooking good hot meals every day, putting up and removing our tents every day, to move to the next camping site. Also, the horses and horsemen who were a part of the support group, helping carry our bags, tents, cooking emergency

items for nearly twenty people for 10 days. The team of guides were always there to assist and motivate the entire group of trekkers. During our interaction, I realized how difficult their job was, finishing one trek & start afresh with a break of barely two days, doing this for at-least eight months in a year. Not only have the treks been an experience to be associated with nature but has also been an amazing way to meditate. In fact, one gets to ponder over various issues, setting aside work stress as there is no accessibility to cell phones. On these treks I have met a lot of new people, shared experiences, & a few will remain friends for life. I would suggest to all of you to take this up as a hobby, at least give it a try. Start with short treks and then move to more difficult ones. One thing I will always regret is starting very late in life, as there are so many treks still to be done. In-fact, now my bucket list has only trekking destinations. Once I am back from one trek and settle down in the normal routine, my mind starts thinking of going back to the mountains and I feel that THE MOUNTAINS ARE CALLING AND I MUST GO.....





Belgium: The gateway to European market

Mr. Stefan Kesse

Former Customs Attaché, Embassy of Belgium
Federal Public Service Finance Customs

“On the e-commerce part Belgium is a front runner in the EU. Our Customs take trade facilitation very seriously. Belgium is one of the few countries in the world whose Customs administration has a marketing department,” shares **Stefan Kessen, Customs Attache, Embassy of Belgium**

Let us begin with your experience in India as the Embassy official, especially Customs and looking into trade relations?

I arrived in India in September 2020 when COVID was at its peak, so that was not the best time to arrive in a new country, more so in a crowded place like Delhi. We started to explore India and created a lot of good memories, travelled to all parts of the country except remote locations like Ladakh. The most interesting thing we experienced was the Taj Mahal. We have learned to become flexible and adaptable because the public attitude here is totally different from what we have in Belgium.

Can you give me some insights into your professional experience?

In India I had to monitor different portfolios. I had collaboration with Indian Customs which was very challenging. We have about 3500 Belgian Customs officials, but India has maybe over 70,000 and they

get transferred every two years, so it was very difficult for me to develop relationship with people. I am also a law enforcement official. Every month we used to gather with people from FBI, HIS and CDT. All these contacts I never had in Belgium. I was part of the embassy team so we had large number of events lined up every week, interacting with secretaries of various Ministries, business delegations and CEOs of large business conglomerates, which I will not have in Belgium. As the Customs official of Belgium, we are only part of a small job. This is why, the job as the Customs Attaché of Belgium appealed to me. The contact and experience that you have here cannot be compared to any other job.

Which are the key sectors of trade between India and Belgium seeing growth?

Some of the sectors monitored and promoted more intensively include biotechnology, Information Technology, Digital Innovations, Infrastructure, pharmaceuticals, and sustainable energy. Belgium is focusing on these sectors more right now. In 2023, India was the 19th importer from Belgium and 16th supplier to the European nation. Belgian exports to India account for about €5 billion and imports account for €6 billion.

Last year the trade balance with India has shifted to negative, which means Belgium is importing more than it is exporting to India. Exports to India include precious metals and stones. 50% of Belgium’s bilateral trade is diamonds. Diamond trade is very important for both India and Belgium because we import polished diamonds back from Surat. We also export machinery, equipment, pharma, and chemicals. Steel is among the top 5 commodities that we import from India.

Tell me about the technology used by the Customs in Belgium?

The EU member states must follow the union Customs processes. Each member state is developing IT tools like risk analysis and process for transit from one member state to another. Between 2007 and 2014, I was part of a big IT project building IT tools to refine risk analysis. On the e-commerce front as well, Belgium is a front runner.

This is one of the biggest changes in the organisation of European Union Customs which will be implemented over a period of 10 years. The reforms will respond to the current pressure under which the EU Customs operate, because we are seeing an increase in trade, especially e-commerce. It will introduce data driven

decision making tools for EU Customs. This will simplify over time our Customs procedures. We will start embracing the digital transformation, replacing traditional procedures with data driven approach. So, there will be data fields shared between EU Customs data hub which will act as the engine of the new system. To monitor these reforms an EU Customs authority will be in place. Going forward there will be a modern approach for e-commerce, where online platforms will be the key actors to ensure goods sold online do comply with the regulations.

Are your Customs processes well integrated into the global Customs operations for a seamless movement of trade?

Belgium is the permanent host of the World Customs Organisation; their headquarters are based in Brussels. 188 countries are members of this organisation. We are very active here and attend all meetings. The Global Network of Customs (GNC) project launched in 2007 and managed by our then administrator General defines the future of Customs to manage the ever increase in trade. We have to evolve to the fact that in every link of the global logistics chain there has to be a trustable partner, so every stakeholder needs to be vetted and should have an AEO certification, so that all data shared can be used for risk

analysis even before the goods are loaded onto the ship. The Belgian Customs recognises that India is very active on AEO programme.

What kind of advice do you give to businesses planning to set up operations in Belgium?

I have been on the road trips and on missions of the Port of Antwerp on various occasions and it was always to promote Belgium as a logistics hub to the European Union. Customs take trade facilitation very seriously. Belgium is one of the few countries in the world whose Customs administration has a marketing department.

Last year, we invented the CCC Concept — Customs Competence Centre. If a big international company like Nike that has a worldwide distribution centre, manages its Customs, logistics operations from Belgium, then they get a dedicated team 24X7 for the purpose. We are the only Customs in the world offering this kind of service. This is trade facilitation to the next level. Many Indian businesses used to ship their goods to the UK and then route them to Belgium. When they contacted me, I said UK is no longer part of the EU, today you can send goods directly to the port of Antwerp. Even China is shipping directly to Belgium.

During your stay in India, you must have interacted with

trade associations like AMTOI. Can you share experiences in collaborating with them?

I still remember the day when I met Mr. Shantanu Bhadkamkar, I was facing difficulties in getting appointments with Customs authorities in Mumbai. I was still exploring India, Mr. Shantanu invited me to his office, and we had a detailed discussion. Thereon I kept monitoring AMTOI website and occasionally met Mr. Shantanu in Delhi. All stakeholders are fully connected to AMTOI. In India this is the organisation I have been interacting the most with.

Back home what is your current role and agenda?

Belgium is divided into seven regions. I am in the northern part or the French speaking region. Here I will be leading the marketing department, which will interact with businesses, find out their challenges so that we can improve our processes. We channel these concerns to Brussels where we have a national forum that meets regularly with all the representatives. We also interact with the Chamber of Commerce in monthly meetings. I am also incharge of communications and we are shifting to new IT tools for international communications. I will be the ambassador for this new tool spreading awareness.

Trivia

GPS Tracking

Modern logistics heavily depend on GPS technology for real-time tracking of shipments. This not only enhances security but also allows for precise monitoring of delivery times and routes, improving overall efficiency.



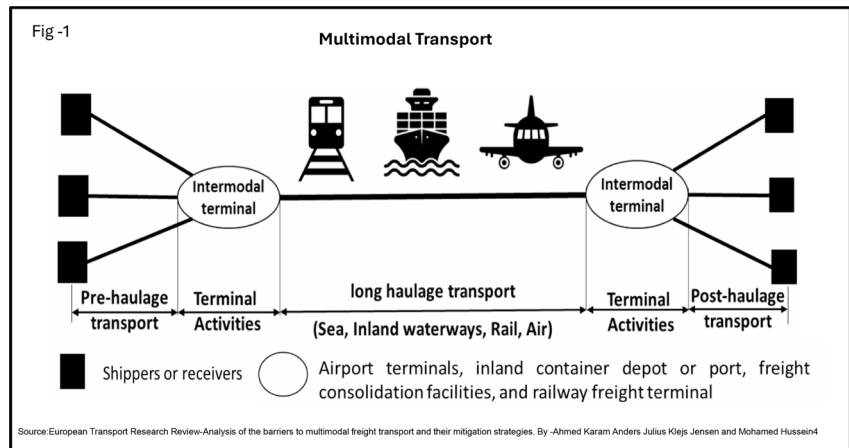
The Intricacies of Interconnected Challenges in Multimodal Logistics (Part 1)

Dr. Pramod Sant

Industry Expert, Former Vice President Import, Export and Customs of Siemens Ltd

Multimodal Transport was introduced to reduce the external costs of freight transport while also improving cost efficiency. However, despite the benefits of MFT, its adoption has been limited in practice, with Road transport remaining the most preferred mode. Govt of India is focusing on Logistics and many infrastructure projects are implemented along with Ease of Doing Business and digitalization initiatives it is important to summarize challenges. Most of time challenges in Multimodal Transport are looked in peameal, location, mode related and customer or service provider specific. Similarly, the scheme launched is for the development of specific modes. It is important to compile all challenges in a systematic manner and then look for solutions.

In common language multimodal transport has other terminologies, i.e., intermodal, and synchromodal transport. However, there exist a few differences



among these terminologies. Simple schematic flow of Multimodal Transport can be shown in fig 1 below. In case of international Multimodal Transport additional activity such as Customs clearance will get added.

Logistics and transport modes face significant environmental challenges, including air pollution, greenhouse gas emissions, and habitat disruption. As key contributors to global emissions, the logistics industry bears a crucial responsibility to adopt sustainable practices. Multimodal transport solutions play vial role to minimize

the environmental footprint. There are several other advantages of Muti Modal Transport.

1. More environmentally sustainable and lowers carbon footprint.
2. Lower Transport Costs.
3. Reduced delivery time
4. Better use of infrastructure
5. Greater access worldwide and new markets
6. Liability is held with a single transport carrier
7. Reduced paperwork and overheads
8. Centralised point of contact who manages whole process
9. Less traffic and congestion
10. Improved hinterland connectivity including manufacturing hubs

Despite these advantages the share of Multimodal Transport remains smaller, and road transport continues to dominate

Multimodal Transport	Intermodal Transport	Synchromodal transport
Is defined as transportation that uses many modes of transport but is . It makes no difference what mode of transport is used - rail, river, road, Air and so on.MFT is defined as using at least two different transport modes,	Is defined as transportation that uses many modes of transport. In the case of intermodal transport, there may be many types of transport, and responsibility is allocated equitably among all participant.intermodal transport refers to MFT that utilizes the same loading unit (e.g., a TEU container)	Synchromodality is the provision of efficient, reliable, flexible, and sustainable services through the coordination and cooperation of stakeholders and the synchronization of operations within one or more supply chains driven by information and communication technologies (ICT) and intelligent transportation system (ITS) technologies.
Regulated by a single contract	Customer may contract with multiple companies	Synchromodal transport emphasizes the real-time operations of MFT transport
In multimodal transport, it involves only one company in the transportation process,	Intermodal transport, the customer engages with several companies separately	Synchromodality is an emerging and attractive concept in logistics,

the market share due to flexibility and reliability. Setting up Multi

of **technology** and equipments such as RFID readers, scanners

trains. Cost of Rail Transport also depends upon **electrification of rail**, usage of diesel operated rail not only increase cost but affect environment. Even if we started talking about **inland water ways and costal shipping**, we have very long way to develop Multimodal transport effectively using waterways. Due to lack of network transit times are higher and direct usage of road transport has advantages over Multimodal Transport.

Fig-2 Multimodal Transport - Elements

Multimodal Transport terminals are necessary handling facilities where freight transshipments may occur between the start, finish, or intermediate points of the transport chain
Multimodal Transport network combines different mode networks into a single transport network and defines routes and services for the efficient freight flow between the shipper's and receiver's warehouses
Multimodal Transport Polices- necessary to promote modal shifts
Effective management of services at various players, including freight forwarders, LSPs, and carriers of various modes,
Delivery characteristics of companies, such as the freight weight, its dimensions, location, and the customers' needs
National transportation networks of neighboring nations should be highly interoperable to establish Multi modal Transportation on a global scale
Digital Operating Systems Interphase and compatibility of digital systems of service players , govt agencies. and related parties

modal Transport systems requires following elements. Fig -2 All the challenges faced in Multimodal Transports need to be grouped or allocated to above elements above. This will help to understand why Multimodal Transport is not used despite various advantages. Understanding these challenges can help in making strategy and solutions.

are always lack in numbers. When shipments change transport mode at terminals, this requires fast information flows and efficient collaboration among railway operators, port authorities, road transport, cargo handling companies, and customs, today all work on **different IT systems** and results in data entry several times, errors, delay and increased cost in addition to lack of live status. Port community system is yet to give required details. **High terminal charges** are another barrier for Multimodal Transport in addition to **risk of loss and Damage** at terminals.

Challenges at Multimodal Transport Terminal

Efficiency and cost of Multimodal Transport are directly correlated with Terminals performance and efficiency. This includes **lack of flexibility** at terminals due to limited number of trains availability, equipments, poor connectivity, security checks, parking, lack of 24x 7 working and labor issues etc. In today's world of JIT flexibility is an important criterion. Today **reliability** plays a vital role in Supply chain Management and Inventory Management. Rail operations are yet to establish this reliability. In India capacity of terminals is one of the biggest challenge insufficient **capacities of terminal** gates increase the cost of pre-and post-haulage/transport because of the congestion and waiting times at the gates. **Lack**

Multimodal Transport Network issues

This is biggest issue faced in India is Terminals are **not suitable for Multimodal Transport network** or connecting transport corridors or manufacturing or consumption hubs/cities. This results in **long road transport channels, congestion, traffic,** reduced speed etc. This results in shipments arriving at ports or consumption centers early or late and increasing idle time and increased cost. Multimodal Transport needs to be supported by **an advanced rail network and fast speed goods**

Management /Agencies barriers

Managing Multimodal Transport is complex because of the participation of different stakeholders, who might be **competitors.** Each of railway, road, waterways are managed by different agencies and have different business targets and objectives. **There very limited Multimodal Transport operators.** Most service providers have competency in either of transport mode like Rail, Road, Sea and or Air. Many big companies have all verticals, but they still operate in silo's, do not work together, and compete with each other. **Poor information shearing** results in inefficiency between terminal operators and truck drivers make it difficult for truck drivers to pick up their containers without long waiting times and high empty running etc. **Limited freight data-Infrastructure** planners face challenges in making informed policy decisions and long-term plans for the optimal locations and capacities of multimodal transport terminals due to limited freight movement data. The promotion of Multimodal transport highly depends on the **quality of communication** and interactions among the different stakeholders

in the freight transport chain. The lack of organizational communications among potential intermodal transport stakeholders is an important barrier to promoting intermodal rail transport. **Lack of advance planning and business models or changes in models** makes Multimodal less attractive for investment and business.

Regulations and subsidies-related barriers

Intermodal transport also depends on the extent of the governmental support. Today we are just started looking in environmental norms, but job creation done by road Transport and vehicle manufactures has more importance.

Govt has initiated various logistics schemes PM Gatishakti, Sagarmala, Bhartmala, Dedicated freight corridors, SEZ, Warehousing standards, National Logistics Policy, various digitisation projects. All these projects will help Multimodal transport growth. **The International North—South Transport Corridor (INSTC)** and proposed **The India-Middle East-Europe Economic Corridor (IMEC)** surely big steps to boost Multimodal transport. While the development of road infrastructure is necessary, it also leads to increased dependency on road transport and a higher market share for this mode of transportation. With development of higher capacity road capacity vehicles reduce road freight cost and make Multimodal transport difficult.

Awareness, Skill development

Customers from users side historically view the Multimodal transport as inefficient transport

mode. Consequently, logistics managers perceive that a shift from road to rail transport or any combination might significantly affect the flexibility of their supply chain in terms of delivery frequency and quantity. The economic and delivery quality criteria are often prioritized over saving the environment since freight shippers are not interested in or are less conscious about environmental sustainability

Multimodal transport faces significant challenges due to a lack of awareness and a shortage of skilled talent. Many stakeholders are not fully cognizant of the intricacies involved in coordinating different modes of transportation, leading to operational inefficiencies. The industry also struggles with a shortage of professionals who possess the necessary skills and expertise in multimodal logistics. To bridge these gaps, there is an urgent need for targeted training programs to **create awareness, skill development**, that can equip the workforce with the required knowledge and skills on user as well as service provider side.

Delivery Characteristics

This is most challenging part of Multimodal transport in India and main reason as Why Multimodal transport is not used? It is important to understand what is mean by Delivery Characteristics.

Freight delivery characteristics in multimodal transport encompass several key aspects that influence how goods are moved from shippers to customers.

Flow geography refers to the geographical relationship between the origin (shippers' locations) and

the destination (customers). which plays a crucial role in determining the most efficient transport routes and modes. **Delivery frequency** indicates how often shipments are made, which can vary based on demand, inventory strategies, and customer requirements. **Transport management** involves decisions on whether to use internal resources or external providers for transportation, as well as the selection and coordination of various transport modes (e.g., road, rail, sea, air). Lastly, the **types and volumes of goods** being transported are critical factors that determine the choice of transportation methods, packaging, handling requirements, and overall logistics strategies. These characteristics collectively ensure that goods are delivered efficiently, cost-effectively, and in alignment with customer expectations.

Understanding of all these parameters and complexities results in limited usage of Multimodal Transport in India and globally.

National Transportation Network

Globally, Multimodal Transport is challenged by the lack of interoperability across national rail networks, however large country like India has this challenge for domestic movements also. In rail transport, the loading gauge represents the maximum height and width of rail vehicles, when loaded any difference in same makes rail transportation challenging.

Digital Logistics world complexities and different operating System

Actors in the intermodal transport chain have different information technology, interfaces, and

Digital Logistics world – Complexities –Systems

Lack of Common Portal / Community Systems /Trade Portal

Stuck in Complex web of flow of information Data entry at each stage Filing Infinity no. of documents with often repeated data..... Errors Clearance Delays Everyone talks in their own language

Import Export and Logistics Stakeholders all use different nomenclatures and references

Siemens AG	PO no	Order Confirmation	Invoice No	UCR Number	SAP / GSCUS / SICSUS
Freight Forwarder	PO no	HAWB,MAWB,Fit no/Date,IGM, R nos	CAN no		IT System
AIR Line	HAWB,MAWB,Fit no/Date	JGM			Action IATA System
Customs Dept.	Bill of Entry no	CK no	IGM / R nos		ICEGATE
State Bank	Bill of Entry no	CK no			Banking System / E-Payment
GST	E Way Bill No				
SL-User Division	PO no	Order Confirmation	Job no	SL ref no	SAP / NEXUS
	Bill of Entry no	HAWB,MAWB,Fit no/Date	Customer Ref		
Clearing Agent	All above fields + CHA Bills				ICD ITC - Customs Broker
SL-IMP Dept.					IMS / CHM Portal / Siemens India

International Trade –Many platforms, many systems

Name of IT Tool – Service Provider	Owner
LOGISIS or similar system	Customs Brokers
Track & Trace	Forwarders
PCA, GMAX	Port Community Systems, Online Air cargo tracking
Fynamics or similar systems	E-Waybill

Name of IT Tool – External	Owner
ICEGATE	CBIC- Customs
DGFT – Licenses E-BRC	Ministry of Commerce -
GST Portal	CBIC-GST
EDPMS	
IDPKS	RBI

Customs Clearance -Different Authorities – Different IT /EDI systems

ECOS - Express Cargo clearance System* Courier Imports	Indian Customs EDI System (ICES) - ICEGATE Clearance at EDI Ports -245 ICD CWC - Customs bonded warehouse connected with EDI	NSDL - Online NMDL - NSDL Data Management Ltd* FTWZ	NSDL - Online NMDL - NSDL Data Management Ltd* SEZ
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* Delay in data and no interphase and all manual entries with time delay.

formats. Adopting these technologies is hampered by a lack of standards for data exchange and technologies,

hindering information sharing and processing, and resulting in lack of timely updates and status.

Note: -

The challenges faced in multimodal transport are complex, interconnected, and deeply intertwined. Addressing these issues requires more than just simple fixes; it demands collaboration, strategic thinking, and long-term planning. In the next AMTOI quarterly bulletin, we will explore potential solutions and suggestions to tackle these challenges effectively.

Feature 8



The Carriage of Goods by Sea Bill, 2024, and Its Impact on India's Global Shipping Industry.

Dr. Joshua Ebenezer

Principal Consultant — NuCov Facili Trade India | An International Trade & Customs Advisor | Commercial Disputes & Arbitration Expert| TAPA-Certified Authorized Auditor-FSR

In a landmark move, the Indian government introduced the **Carriage of Goods by Sea Bill, 2024**, in the **Lok Sabha** on August 9, 2024. This bill seeks to replace the nearly century-old **Indian Carriage of Goods by Sea Act, 1925**, aligning India's maritime trade laws with international conventions such as

the **Hague-Visby Rules**. As global trade continues to evolve rapidly, this legislative shift is crucial for modernizing the legal framework governing maritime logistics in India. The **Carriage of Goods by Sea Bill, 2024** addresses several key areas in maritime law, introducing provisions that businesses and trade professionals

need to carefully review:

The bill is aligned with the **Hague-Visby Rules**, an international convention that governs the responsibilities and liabilities of carriers in the carriage of goods by sea. This alignment ensures that Indian law matches global standards, reducing

confusion in international transactions and facilitating smoother cross-border trade.

Specific Provisions Trade Should Look Into: (Article III):

The bill places a duty of due diligence on the carrier to ensure the seaworthiness of the ship before and at the beginning of the voyage. This includes proper manning, equipping, and maintaining the ship, as well as ensuring that the holds and chambers are fit for carrying the cargo. This is a key point for shippers to ensure that carriers meet their obligations, reducing risks of cargo damage.

Article III(6):

The bill limits the period for bringing claims against carriers to **one year** from the date of delivery of the goods or the date when the goods should have been delivered. This provision ensures timely resolution of disputes, and businesses must stay vigilant to ensure claims are made within this strict timeline.

(Article IV):

The bill retains some exclusions from liability for carriers, such as damages caused by **Acts of God, inherent vice of the goods, or perils of the sea**. However, it clearly limits the conditions under which carriers can claim these exemptions. This means shippers need to understand the specific risks they are exposed to and seek adequate insurance for those risks that are outside the carrier's liability.

(Article IV(5):

The bill places a limit on the liability of carriers for loss or damage to cargo, calculated either per package or unit of the goods. For businesses shipping high-value goods, it will be crucial to examine these limits and consider negotiating terms that reflect the value of the cargo or arranging

supplementary insurance.

The **Bills of Lading Bill, 2024**, introduced alongside this bill, ensures that the rights and liabilities under a bill of lading are clearly transferred to consignees and endorsees. This provision is crucial for businesses in securing their interest in goods throughout their transportation, as it provides clarity on legal ownership and responsibilities once the goods are shipped. The bill gives the **central government** the power to issue directives, amend schedules, and prescribe rules relating to bills of lading and the carriage of goods by sea. The trade industry must be aware of any future changes or regulations issued by the government, which may affect the procedures for sea transport.

The bill grants the federal government powers to issue directions and amend provisions in response to new developments in international shipping law. This adaptability will ensure India remains competitive and compliant with global maritime standards, benefiting businesses that engage in international shipping.

How Trade Can Respond to the New Initiative

Potential Benefits:

By aligning Indian maritime law with global conventions, the bill reduces the legal barriers and complications that arise from differing national regulations. Businesses can expect smoother transactions and more predictable outcomes when dealing with international carriers. Specific provisions on liability, claim periods, and the duties of carriers provide clearer legal guidelines, reducing uncertainty for businesses. This

will help exporters and importers avoid costly disputes and ensure that legal obligations are fulfilled by all parties involved.

With the power to update rules and regulations, the federal government can adapt to changes in international maritime trade, allowing businesses to operate under current and globally accepted practices.

Challenges for Trade:

Businesses may face challenges in adjusting to the stricter liability standards for carriers, especially if they are used to the more lenient provisions under the 1925 Act. Companies will need to update contracts, review insurance coverage, and ensure compliance with the new standards. The shorter time frame for making claims will require businesses to act quickly in the event of any cargo damage or delay. This could involve setting up systems to monitor shipments more closely and flag potential issues in real-time.

Landmark Supreme Court Cases Under the Indian Carriage of Goods by Sea Act, 1925

Several important **Supreme Court** rulings under the **Indian Carriage of Goods by Sea Act, 1925**, set the legal landscape for maritime disputes in India. However, with the passage of the **2024 Bill**, these precedents may lose relevance. Some of the notable cases include:

East and West Steamship Co. v. S.K. Ramalingam Chettiar (1960):

This case set the standard for carrier liability, especially regarding the **seaworthiness** of vessels. The Supreme Court ruled that carriers had a strict obligation to ensure

seaworthiness, a key provision that continues under the new bill.

Shipping Corporation of India Ltd. v. Bharat Earth Movers Ltd. (2001):

The court dealt with **limitations of liability** and held that while carriers could limit liability, they could not evade responsibility for gross negligence. The **Carriage of Goods by Sea Bill, 2024**, retains similar limitations but with clearer standards for when carriers can claim exclusions.

Haryana Power Generation Corporation Ltd. v. Shipping Corporation of India (2013):

This case addressed **delayed delivery** and compensation claims, reaffirming that cargo owners could claim damages. The new bill clarifies the liability for delays, setting clearer expectations for delivery times and potential claims.

Specific Provisions Worth Noting for the Trade

Businesses should pay particular attention to the following provisions in the **Carriage of Goods by Sea Bill, 2024**:

Carrier's Liability for Proper Stowage (Article III)

One of the key provisions under **Article III** of the **Carriage of Goods by Sea Bill, 2024**, relates to the **carrier's responsibility for properly loading, handling, stowing, and discharging the goods** during transit. This obligation is crucial in ensuring that goods are protected from damage while they are being transported.

- This refers to how goods are packed and arranged in the cargo hold of the ship. The carrier must ensure that goods are secured appropriately, especially when it comes to

fragile or high-value items. Improper stowage can lead to cargo shifting during the voyage, causing significant damage or loss. This is particularly relevant for goods sensitive to movement, such as electronics, machinery, or perishable items.

- For businesses that ship delicate or high-value cargo, this provision offers greater protection by holding the carrier accountable for any damage caused by negligence in stowage. Fragile goods, such as glassware, electronics, or pharmaceutical products, must be stowed carefully to prevent breakage or spoilage. Similarly, businesses transporting high-value items, like luxury goods or heavy industrial machinery, benefit from the assurance that carriers must handle and store these goods with care.
- Businesses should ensure that the terms of their contracts specify the carrier's obligation to follow proper stowage procedures. They may also need to arrange for on-site inspectors or independent surveys to verify that their goods are being stowed appropriately before the ship departs.

One-Year Claim Window Article III(6)

of the **Carriage of Goods by Sea Bill, 2024**, establishes a strict **one-year time limit** within which cargo owners or their representatives must bring claims against carriers for loss, damage, or delay in the delivery of goods.

- Under this provision, claims must be filed within **one year from the date of delivery** or from when the goods should have been delivered. This is a significant restriction

compared to other commercial contracts that often allow more extended claim periods. The idea behind this limitation is to prevent protracted legal disputes, ensuring that issues are resolved in a timely manner while evidence is still fresh.

- This shorter claim window places pressure on businesses to have efficient tracking and documentation systems in place. Companies need to closely monitor the movement of their cargo and be prepared to act swiftly if any issues arise. Delays in discovering damage or loss could result in the forfeiture of the right to claim compensation if the deadline passes.
- To adapt to this limitation, businesses should consider enhancing their **logistical tracking systems** to detect potential issues in real-time. Legal and compliance teams may also need to review contracts and communicate this time-sensitive requirement to all relevant stakeholders. Furthermore, businesses might need to implement internal procedures to expedite inspections and damage reports once goods are delivered.

Carrier's Right to Limit Liability (Article IV(5))

Article IV(5) of the **Carriage of Goods by Sea Bill, 2024**, allows carriers to **limit their liability** for damage or loss to cargo. This provision specifies that the amount a carrier is liable to pay in the event of damage or loss is capped at a certain level, which is usually calculated per package or by the weight of the cargo.

- These limits are meant to protect carriers from incurring exorbitant costs in case of

loss or damage. However, for businesses transporting **high-value goods**, the default liability limit might not be sufficient to cover the full value of the lost or damaged cargo. This is particularly relevant for industries dealing with luxury goods, rare commodities, or sensitive industrial equipment, where the value per unit is exceptionally high.

- For companies shipping valuable cargo, it is important to recognize that carriers may invoke their right to limit liability, leaving the shipper undercompensated for any loss. To avoid this, businesses should ensure that their contracts **explicitly negotiate higher liability limits** for such shipments or purchase additional insurance coverage to safeguard the full value of the goods.
- Businesses should review

contracts carefully and, if necessary, negotiate higher limits based on the nature and value of their cargo. If such negotiations are not feasible, companies may need to purchase **cargo insurance** that covers the difference between the carrier's liability limit and the actual value of the goods being shipped. For high-risk shipments, this insurance should be carefully tailored to cover all potential loss scenarios, including damage during stowage, transit, or unloading.

These specific provisions in the **Carriage of Goods by Sea Bill, 2024** represent both opportunities and challenges for businesses involved in shipping goods internationally:

- The **responsibility for proper stowage** provides a greater assurance of cargo safety, but

businesses need to ensure they are actively involved in verifying compliance with these standards, especially for fragile or high-value items.

- The **one-year claim window** means companies need to invest in **real-time tracking** and immediate inspection processes to identify and report issues promptly.
- The **carrier's right to limit liability** puts the onus on businesses to negotiate contracts with higher liability caps or secure appropriate **insurance coverage** to avoid financial losses in the event of damage.

Adapting to these changes will be crucial for businesses to protect their interests and ensure that they remain compliant with the new legal framework.

Feature 9



Navigating the Multimodal Business Ecosystem: One Step at a Time

Mr. Saurabh Trikha

Managing Director — Aargus Global Logistics Pvt Ltd

Movement. It is not just a word; rather it's the lifeblood of any multimodal business. It holds a pivotal role in ensuring the seamless flow of goods and services across different modes of transportation. For a business, movement can mean many different things. To one, it can mean movement of

new assets from one place to another, to another it can mean a new business order that further translates to better cash flows and profits, to some businesses it can even mean planes championing the skies, the trucks rumbling down concrete highways, the ships gliding across oceans,

bringing products to market and keeping the global commerce health in check and afloat.

However, to companies who are in the logistics business — movement acts as the thread that weaves two different businesses together — in profit or loss. Needless to say that

without this word that holds so much potential in so many unique ways, multimodal businesses would be akin to a ship adrift at sea. So, next time maybe when you're enjoying a cup of coffee that travelled halfway across the globe, remember the intricate dance of movement that made it possible in the first place. It won't be an understatement to say that this three syllable word is the unsung hero of multimodal businesses, ensuring that goods arrive safely and on time, every time.

From Movement to Improvement: Fixing the Multimodal Business Maze

Integration of the Right Technology

One of the sure shot ways for multimodal businesses to improve and thrive is the integration of the right technology at the right time. One such practical investment would be in robust transportation management systems.

Such systems with newer and bolder technological advancements can really help multimodal businesses operate globally in so many things at the same time. For instance, it can help in optimising routes (which is a big plus), seamlessly manage transportation costs, track shipments, and improve visibility across the multimodal network.

Coming years will see a new dawn of tech standards including the rise of data. It will really help multimodal businesses offer turnaround business solutions and at the same time identify inefficiencies and opportunities for improvement.

Network Optimisation

It is always a good idea to choose reliable and cost-effective carriers for each mode of transportation. To do this, it is always best to diversify your network and heavily reduce your reliance on a single carrier as a multimodal business. It will not just help you mitigate risks but also improve overall flexibility of your operations.

Plus, it will also help you a great deal in optimising your route planning. Thanks to the new age AI revolution, you can use advanced algorithms to determine the best shipment routes. This wasn't there some years ago but now it's a completely different ball game altogether.

Managing the Right Inventory Way

To streamline your multimodal business, focus on optimising inventory management. Utilise data analytics to accurately predict demand and adjust inventory levels accordingly. Real-time inventory visibility ensures you avoid stockouts and overstocking. Implementing efficient warehouse practices further minimises handling costs and speeds up order fulfilment. By addressing these areas, you'll optimise your operations and enhance overall efficiency.

Customer is the King. Thus, Customer Experience Should be Top Priority. Always.

This will always remain a non-negotiable. Prioritise customer satisfaction to foster loyalty and drive business growth. At regular intervals of time, track customer feedback and use

the insights to identify areas for business improvement.

Offer value-added services like real-time tracking, insurance options, and streamlined customs clearance to enhance the customer experience. Also, make sure that you give a personal touch to your services. Digital revolution or no digital revolution, personalisation hits different every time, irrespective of the age we are living in.

Plus, what it'll do is that it will demonstrate a certain commitment to your customer-centricity. By focusing on these areas, you can create positive and memorable customer journeys that will definitely drive repeat business. Remember, a genuine and positive word of mouth is above and beyond all marketing and sales tactics.

Be Stringent About Sustainability and Environmental Responsibility

It is your job to prioritise sustainability to create a positive impact. Choose eco-friendly transportation modes with a lower carbon footprint. Optimise packaging materials to minimise waste and reduce environmental impact.

Implement sustainable practices throughout your supply chain, from sourcing to delivery. By focusing on sustainability, you not only contribute to a healthier planet but also enhance your brand reputation, attract environmentally conscious customers, and potentially reduce costs associated with waste management. Ultimately, a sustainable approach fosters a positive impact on both your business and the environment. It's basically a win-win. And who wouldn't like that!

The Way Forward

Setting up any business whether it be multimodal or not isn't a piece of cake. It takes no less

than a generational effort to set up a business that can make a significant level of impact on so many lives. With the advent of AI and digitisation, the multimodal business landscape

will soon be witnessing disruptive changes. And all the businesses now must put conscious effort to not be at the short end of the stick. How would it be possible? The Answer - Together.

Feature 10



Multi-Modal Transport

Mr. T N Seetharaman

Co-Founder & Director

ALLMASTERS Groupage Technologies PVT. LTD.

Switzerland — a small country, completely Landlocked. While it is popular for the beautiful tourist locales, the country is a global giant in Pharmaceuticals, Chemicals, Precision Instruments, Textile and Textile Machinery, Watches, Chocolates and many other Industries.

During the two World Wars, surrounded by Hostile conditions on all sides, Switzerland remained NEUTRAL. Their mega Industries needed to get their products across the world, safely and on time. Being Landlocked, they needed innovative transport solutions. The Swiss Logistics companies mastered the art of MULTI-MODAL TRANSPORT almost a century ago in the midst of very challenging situations.

It is therefore not very surprising that the Biggest Logistics companies in the world today have their roots in Switzerland.

Enter the Indian Multi-Modal

Transport act in 1993 and the advent of the Indian MTOs. How have they coped with the phenomenal growth story of the Indian Economy and her massive strides in the Global trade.

Fast Forward today, the Logistical challenge is even more pronounced. Be it the Blockage of Suez Canal due to the giant ship "Ever Given" or the Houthies attack on Commercial shipping at Bab El Mandeb or the middle Eastern situation in Iran, Israel, Palestine or the Somali pirates issue or the Drought hit Panama Canal or the infamous Covid-19 outbreak which paralyzed the world, Our MTO fraternity has been solving Logistical challenges as tough as during the World Wars.

The solutions to the Logistical Challenges, were they simple and easy? Can the international transportation be commoditized? Can it be operated on an "Assembly line" model where you feed at

one end and finished product is received at the other end? Clearly there cannot be a 'One size fits all' model in today's logistics world.

All of the challenges enlisted above is not a transactional exception. These are problems that will not go away easily because the Geopolitical ramifications are far higher than what the traders can visualize.

Can the world trade stop? Obviously, NO. If anything, the demand/supply ratio shifts with almost no notice. The Global sourcing makes a paradigm shift every other quarter. Thus the Supply Chain integrity of every industry is challenged on a continuous basis.

It requires a Logistics service provider to "Think on their feet".

Who then, is in the best position to respond to these challenges the best and swiftest?

The Multi-Modal Transport operator.

How and Why?

There cannot be a better intermediary than a MTO in International Trade who can swiftly respond to challenges faced by his customer. Knowledge is Power. MTO is an embodiment of complete International Trade Knowledge. From Transportation over various modes of transport to compliance across various borders, the packaging and handling requirement for the shift from one mode to another, the risk assessment and risk management of various modes of transport, the banking and other laws related to the trade documentation so that the seller/buyer can get their monies/goods on time and safely, he almost has an answer for everything.

In short, the MTO is an entity that can help traders focus completely on their core-competencies, which is Manufacturing and Trading. The MTOs transcend time zones, Language barriers,

cultural barriers etc, to stitch together a sustainable Logistics solution for their customers. Today the MTOs not only have the Knowledge required but have also invested in the technology, to anticipate exceptions and engage on behalf their customers to manage and resolve exceptions. International Transportation is a “Sequence of events”. The art of doing this successfully is to “anticipate” every subsequent event in the transport chain and engage yourself to handle that event with complete preparedness. To anticipate the subsequent event, one has to know all the events and not just that they also need to know the correct sequence of these events. With a “well prepared engagement” of every anticipated event, the MTO is able to manage exceptions faster and more efficiently than most others.

This is how the Multi-Modal Transport operator able to deliver a “Tailored solution” for each of his customer that is unique to their needs? The MTO Understands not only his customer’s business, but also

takes the pain to understand his “Customer’s Customer requirements”. Hence, he is always able to tailor make a solution specific to each customer’s needs.

It is not just about designing the solution. The MTO also remains liable and responsible through the entire journey of the shipment under a single contract of carriage. Being Licensed and regulated and carrying under a single Contract of Carriage over multiple modes, the MTO is the safest operator for the Importer and exporter. Even the ICC’s UCP 600 regulation, for Documentary Credit, acknowledges the MTO and the importance MTD as a crucial document of trade. They have amended the rules to Indicate “the Goods have been “Dispatched” or “taken in charge””, where the shipment involves a MULTI-MODAL move. No more the need for the “Shipped on Board” to negotiate a L/C. The MTO’s contribution to the trade is immeasurable. I hope the trade also values it the same way as I see it.

Trivia

Sandalwood’s Fragrant Trade Routes

- Product: Sandalwood, valued for its aromatic properties.
- Origin: Mysore region, Karnataka, India.
- Destination: China and Southeast Asia, used in perfumes, incense, and medicine.
- Customers: Chinese and Southeast Asian traders and practitioners of traditional medicine.

These traditional exports from India not only shaped global trade but also influenced the cultures and tastes of distant lands, creating a legacy that echoes through the annals of history.

Photo Gallery



On July 01, 2024, a Budget and Tax Recommendations meeting for 2024 arranged by the Ministry of Ports, Shipping and Waterways between the Honorable Minister and the stake holders of the Maritime Industry. Attended by the Hon.Secretary — Mr.Devpal Menon and the NRC Convenor — Ms.Priya Anil Thomas.



On July 05,2024, Department of Promotion of Industry and Internal trade (DPIIT) - Govt Of India had extended an invitation for a workshop at Vanija Bhaavan on Logistics costs framework, which was attended by Hon.Secretary - Mr. Devpal Menon and the NRC Convenor - Ms.Priya Anil Thomas.



On the 18th July, 2024, AMTOI embarked on the path to create the ESG Road Map for its Members by inviting the ESG experts — Dr. Neville Mehta, Dr.Prasad Modak and Mr. Abhishek Talwar to address the AMTOI Managing Committee and External Board Members during the 3rd External Board Meeting which was hosted by Past President Mr. Vivek Kele. The event was followed by cocktails and dinner wherein various industry stalwarts were present.



Session on “Lessons from Baltimore -Risks and Claims” organised by The Madras Chamber of Commerce & Industry (MCCI) on 13-05-2024 at MMA Hall, Chennai. AMTOI was Co-host for this session. SRC Convenor Mr. Naveen Prakash attended this session.



International Day for Women in Maritime on 18-05-2024 at Maritime Training Institute (SCI), Mumbai. The event organised by The National Maritime Day Celebrations Committee (NMDCC). Attended by WW Co-Convenor Ms. Nishita Modi.



Photo Gallery



AMTOI Silver Jubilee Event hosted by Eastern Region Chapter in Kolkata in June 2024



AMTOI Northern Region Networking Meet Held in August 2024

Visit to TN Skill Development Office in Chennai in August 2024

Photo Gallery



AMTOI Silver Jubilee Event hosted by Southern Region Chapter in Chennai in August 2024

AMTOI Membership Benefits

Recognition in the Industry as a certified AMTOI member, AMTOI is known for commitment to the cause of promoting Multimodal Transport

- AMTOI membership certificate can be prominently displayed in the office and AMTOI logo can be used on your stationary, website and other collaterals
- Participation in various Training sessions and seminars organized by AMTOI (Dangerous goods handling and transportation being one of them)
- AMTOI Dialogues - A monthly virtual event where an eminent personality is

invited for a short interview followed by Q&A session

- Weekly updates on Shipping Industry through AMTOI Weekly bulletin.
- Participation in Annual AMTOI event and get to meet who's who in the industry which is an excellent platform for networking.
- Assistance in registration/renewal of MTO License.
- GRF (Grievance Redressal Forum), a platform to air your grievances with various private and Govt authorities and

AMTOI organizational support to resolve them

- Differences / problems between members are amicably resolved by the intervention of Managing Committee Members hence the need to approach the regulators is reduced
- Have a say in drafting and amendment of various Maritime related laws
- Become a part of the only trade body which caters to the benefits of the MTO's
- Promote / growth of Indian flag ships and container owners

GST ON INTERNATIONAL LOGISTICS SERVICES AND COMPONENTS UNDER VARIOUS SCENARIO

(Advisory issued by AMTOI in January 2024)

Ready Reckoner

Changes applicable in GST from 01st October 2023 is tabulated below

Bill to Customer Location	Mode of Transport/Transaction Type	Type of Tax	Tax Rate	RCM on Purchase from Foreign Party Applicable	Remarks
Indian Party	Export Cargo - Ocean Freight	IGST or CGST+SGST	5%	Yes **	5% RCM on OFC Purchase from Overseas
	Export Cargo - Other Origin/Destination Charges	IGST or CGST+SGST	18%	Yes	18% RCM on Destination Charges Purchase
	Import Cargo - Ocean Freight	IGST or CGST+SGST	5%	Yes	5% RCM on OFC Purchase from Overseas
	Import Cargo - Other Origin/h/Destination Charges	IGST or CGST+SGST	18%	Yes	18% RCM on Origin Charges Purchase
	Export Cargo - Air Freight	IGST or CGST+SGST	18%	Yes **	18% RCM on Air Freight Purchase from Overseas
	Import Cargo - Air Freight	Exempt	Exempt	NA	
	Third Country Shipment - Air Freight	IGST	18%	YES	18% RCM on Purchase
	Third Country Shipment - Ocean Freight	IGST	5%	YES	5% RCM on Purchase
	Third Country Shipment - origin/destination charge	IGST	18%	YES	18% RCM on Purchase
	Export Cargo - Ocean Freight	Export of Service (No GST)	NIL	Yes **	5% RCM on OFC Purchase from Overseas
Foreign Party	Export Cargo - Other Origin/Destination Charges	Export of Service (No GST)	NIL	YES (if Destination is Invoiced) else NA	18% RCM on Destination Charges Purchase if applicable
	Import Cargo - Ocean Freight	Export of Service (No GST)	NIL	YES	5% RCM on OFC Purchase from Overseas
	Import Cargo - Other Origin/h/Destination Charges	Export of Service (No GST)	NIL	YES (if Origin is Invoiced) else NA	18% RCM on Origin Charges Purchase if applicable
	Export Cargo - Air Freight	Export of Service (No GST)	NIL	Yes **	18% RCM on Air Freight Purchase from Overseas
	Import Cargo - Air Freight	Export of Service (No GST)	NIL	NA	
	Third Country Shipment - origin/destination charge	Export of Service (No GST)	NIL	YES	18% RCM on Purchase
	Third Country Shipment - Air Freight	Export of Service (No GST)	NIL	YES	18% RCM on Purchase
	Third Country Shipment - Ocean Freight	Export of Service (No GST)	NIL	YES	5% RCM on Purchase

**** it is assumed that these are purchased from an Indian party wherein GST is paid in forward charges, however in case the same is purchased from foreign party GST @ 5% in cases of Ocean Freight and 18% in case of air freight is payable under RCM**

Disclaimer:

This advisory is for informational purposes only. It does not constitute professional advice, and we recommend seeking tailored guidance before acting on any information herein. While we strive for accuracy, we make no warranties about its completeness or suitability. We are not liable for any damages resulting from reliance on this advisory. This does not create a client-advisory relationship under any circumstance.



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