

“The best thing coming out of this lockdown was the complete adoption of digitisation across our organisation.”

Basundhara Choudhury

An active voice of the logistics fraternity, Pramod Kumar Srivastava, Director, PDP Group who also serves as the National President of NACFS (National Association of Container Freight Stations) has truly seen the industry through its high and low tides. In this exclusive interview, he talks about critical aspects of Exim cargo since the onset of the pandemic, impact of the DPD scheme and how IT-enabled integration is driving India’s maritime industry forward. Excerpts follow:

Q] *How has the PDP Group adapted to new innovations and trends and put their best foot forward in these unprecedented and trying times to meet the demand of the market? What is the best thing that has come out of this lockdown?*

The PDP Group® has always focused on innovating its business model by studying industry best practices and foreign market trends. We had already started our complete shift to the cloud software a few years ago, and this greatly helped us during the pandemic. We had remote digital systems in place to track cargo handling activities, transport movements, customs clearance documentation work, inventory management, and other related activities. Therefore, it was easier to spend time on innovative activities to maintain business growth instead of catching up with remote working.

In the current scenario, exporters and importers want a logistics partner having all services under a single roof. We have continued developing our infrastructure over time to offer comprehensive supply chain solutions where the entire scope of work can be performed by our group. This not only helps reduce cost but also enables a seamless experience for the customer through different stages of the logistics process. Our infrastructure, backed by digital technology has helped customers stay updated with real time reports in spite of limited manpower availability during the pandemic.

Having said that, the best thing coming out of this lockdown is a complete adoption of digitisation across our organisation. Although we had systems in place, but they were not completely utilised since employees could still



get their work done through physical interactions. Now we have seen our employees investing time to fully understand the scope covered by our cloud systems and obtaining all necessary data from the system.

Q] *What are the major hiccups that the PDP Group had to overcome in the transportation of EXIM cargo since the wake of the pandemic?*

Shortage of drivers was a major hiccup when the pandemic began. Various drivers who had earlier gone on leave for the festival of 'Holi' were stuck at their hometowns and could not return. Similarly, drivers who had taken casual leaves a few days before the lockdown began were also unable to join duty. We were fortunate to have invested in digital driver management tools which enabled us to have a complete database of all drivers who have even performed just a single trip for us during the last 5 years.

We contacted a lot of those drivers and found out that many of them were interested to join since they were out of work. Within the first 2 weeks of the pandemic, we had overcome this shortage and had 85% of our fleet back on road. We really understood the importance of database maintenance during the pandemic as it helped us stay functional during a tough period.

Having said that, one of the major hiccups which still remains unresolved for transportation of EXIM cargo is the rising diesel cost. This, by far, is the biggest challenge being faced in transportation of EXIM cargo. Diesel costs have gone up by over 30% since the pandemic began and is having an impact on all allied industries. We sincerely hope this matter is looked into and resolved as the existence of transporters is threatened by such an increase in diesel prices.

Q] *Is your company planning on augmenting their infrastructure?*

Our company has always focused on planned investments to develop infrastructure. In 2006,

we established ICD Durgapur, which was the first Inland Container Depot in West Bengal. This infrastructure in Durgapur has greatly benefitted the EXIM players in the region.

Recently in 2018, we acquired two plots around Kolkata Port area to further solidify our footprint in the region and offer state-of-the-art warehousing and cargo handling solutions. We have also signed MoUs with 'Sagarmala Development Company Ltd.' (SDCL), a Govt. of India enterprise to develop 'Product Specific Warehouses' near the port region.

During the last year, we have acquired another plot in Durgapur region where we plan to extend our logistics infrastructure for catering to the EXIM trade.

We have further plans to establish driver training schools, cold storage, trailer parking zones and we have already received a recommendation from the 'West Bengal Industrial Development Corporation Ltd.' for our project. We hope to continue infrastructure developments for enhanced value addition in the eastern region, in line with the Government's 'Act East' policy.

Q] *Last year, the CBIC rolled out new rules for setting up CFSs and ICDs in the country. What are your thoughts on the new rules and its implementation?*

Earlier, the guidelines for setting up a new ICD/ CFS/ AFS were not so clearly explained. This led to a lack in transparency, especially for potential investors as setting up a new ICD/ CFS/ AFS is a long-term investment with a substantial gestation period. The revised policy and guidelines have given a clear picture to the trade. CBIC has acknowledged that the business scenario has transformed drastically over the years with the adoption of trade-friendly initiatives such as the AEO program, RFID E- Seals, RMS, etc. The process of grouping zones by different categories (green, blue and red) gives a clear view of region-based infrastructural requirements.

With the changing logistics scenario, the Handling of Cargo in Customs Area Regulations-2009 also needs to be reviewed and updated. This revision would be beneficial for the trade as it would encourage more private participation in developing logistics infrastructure.

Q] *The Direct Port Delivery (DPD) scheme, which was introduced in 2016 as an alternative to the CFS model, was aimed at faster cargo clearance at ports, but it met with a lot of dissent from CFS businesses. What has been the impact on CFS businesses so far, since the DPD model is here to stay?*

It is well known to everyone in the logistics trade that DPD has indeed had an adverse effect on CFS volumes. In order to ensure sustainability, we have requested Customs to enable value added services at ICDs and CFS such as handling of domestic cargo and coastal cargo within the ICD and CFS premises. Inland waterways is a priority of the Indian government, and CFS and ICDs, especially in the eastern region can serve the infrastructural needs. Containers could be handled at CFS and ICD and exported directly to Bangladesh using the river route.

There is ready infrastructure of bonded warehousing inside CFS and ICDs which could be immediately used for the purpose of manufacturing.

Q] *How has IT-enabled integration of India's maritime infrastructure helped improve India's ease of doing business index?*

Technology is the key to development and innovation. This point has been further highlighted since the advent of the Covid pandemic. The Government has encouraged paperless modes of working and we are happy to observe a noticeable reduction in physically visiting Customs/ Port offices. Digitalisation is being adopted at a steady pace across the various ports of the country. We are now seeing adoption of digitalised trailer permits at Ports,

faceless assessments at Customs, as well as acceptance of scanned documents with digital signatures in processing of applications.

India has a long way to go in terms of completely adopting digital tools, but I do believe that we are on the right track. Our 'Ease of Doing Business' rank has seen a huge jump from 139 in 2010 to 63 in 2020. Digitalisation has indeed played a vital role in this process, and it's heartening to see government officials encouraging digital modes of working.

ONE OF THE MAJOR HICCUPS WHICH STILL REMAINS UNRESOLVED FOR TRANSPORTATION OF EXIM CARGO IS THE RISING DIESEL COST. THIS IS BY FAR THE BIGGEST CHALLENGE BEING FACED IN TRANSPORTATION OF EXIM CARGO.

Q] *As the CEO of the PDP group, how were you able to steer your company through the turbulent times of the pandemic?*

We have always considered ourselves to be a tech-based supply chain company. We have been focusing heavily on investments in digitalisation and cloud working tools over the years. Remote working was a new concept for all of us last year but our investments in digitalisation as well as our staff training over the years greatly helped us stay on track in troubled times.

We have a complete remote working tool, from the generation of online consignment notes to equipment/ inventory monitoring. This greatly helped us focus on ways to generate new business models to adapt to the changed scenario, instead of spending the previous first few months simply adapting to the 'new normal.' 