

DRIVERS

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INTERVIEW



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The Dost



How and where to bracket him? Engineer by qualification though gives an impression that he is a Chartered Accountant, given is prowess in taxation related issues. Just not me. Many outside his lobby group – **All India Transporters’ Welfare Association or AITWA** – where he took charge as President on Ram Navami Day for his two year fixed term. Healthy sixty two (Date of Birth: 31 October 1956). Once upon a time – once upon a time, his parivar had sizeable fleet and worked shoulder to shoulder with the nursery of Indian transport segment viz., Transport Corporation of India or TCI. Hence, he claims belonging to be a second generation Transporter. His uncle Dwarka Prasad Arya was with the late P D Agarwal of TCI before branching out to pitch his own tent under the name of Economic Transport Organization or ETO in 1962 with Kolkota as its base. Post division of the family business, they drifted apart.

DRIVERS DUNIYA caught him on an early morning over phone while he was walking in his neighbourhood park in Mumbai suburb. Edited excerpts:

A BITS-Ranchi alumni with production engineering background, how did you step into transportation?

I did not begin my career in transportation. I was into steel industries in Kolkata and then migrated to Bombay and did business in plastics – produced plastic bags like VIP suitcases under the brand “Unilite”. The 1991 liberalization made our business unviable mainly due to exchange rate mechanism. Hence, decided to explore the family business. ETO was a large company, managed by father (Gajanand Arya), uncles, brothers and cousins. We were in textile business also earlier.

You mentioned that (your) uncle Dwarka Prasad Arya was known as the Founder of Transport business in India. Can you explain?

Post Independence, there was no long distance motorized movement of goods in India. In the early 1960s, he bought a second hand Dodge truck for the first time to move some consignment from Calcutta to Vizag (Vishakapatnam) by road. It was a big risk because nobody at that time was moving truck on long distance. Why? Because there were no clear highways. And you needed permission even to move from district to district. That’s how he began his journey. When ETO celebrated its silver jubilee, we

honored the driver who drove that maiden trip. We were the pioneers of long distance freight movement. Others took a cue from us and rest, as they say, is history.

What about TCI? It is believed they were the first to try out this format?

We had a parallel beginning. They were experimenting their own way and we, our own way. But TCI was the first. My uncle was an adventurer. He dreamt and worked on those ideas. He possessed no big degrees. By nature, he had a lot of entrepreneurial spirit. He imported salt from Afghanistan. He tried exporting fresh fruits/vegetables to the Middle East when there was no refrigeration

facility. Anyhow, those things did not work out well.

What about you?

After coming of college in 1980, I was not directly involved in operations, but part of the planning team.

The field was wide open; all major projects came to ETO by default. We were into transportation of heavy projects. BHEL, IFFCO etc. all big companies sought our services. The growth was phenomenal during that time.

What about the trucks? Which was the popular brand?

Tata, of course, was the popular brand. Still they are. Around the 1990s, Ashok Leyland came into more of reckoning. I became active 1997 onwards. At ETO, we had all Tata trucks. Those days, there was no RTOs, no toll gate, no good roads. Gradually roads were being built up.

I keep hearing about IRTDA? What's that?

There is one another organization: Indian Road Transport Development Association (IRTDA) set up in 1927 - much before the All India Motor Transport Congr4ss (AIMTC). It had people from all walks of life: insurance, shipping, road transport, tyre industry, truck industry etc. This body advised the British regime where to build the road. I got into it in early 1990s as part of its Management Committee.

Is IRTDA still operational?

No. It died down from its original format. Dr Patankar from TCS was the President and Bharatbhai from Ashok Leyland etc. were there once. In the 1990s, there used to be meetings, but no concrete movements. I was a Member and was elected Vice President subsequently. Given my transport background, I tried to revive IRTDA as a research-based organization with like-minded people from transport fraternity. That's why one heard less about it of late. The Freight Index you are familiar with is IRTDA product. We meet regularly and discuss innovation. Nothing else.

What are you upto these days at IRTDA?

Goods and Service Tax or GST. It is the biggest headache for transport companies. We just worked out one app which should be able to import away bill from customer end and directly put without making any entries. We are trying out different approaches to transportation quantification. In America they quantify transport work in Ton Kilometers. They quote also on UDS per ton kilometer. We are working on such possibilities, of course in comparison to Indian market.

Of late, there is a lot of talk or focus on new age companies like Rivigo...

New age companies collect data of all transport companies and then what they do with that data, nobody knows. At the back of such "research", there is a transport company. Rivigo introduces itself as different. They are into active transportation now: they quote below cost and run into heavy

losses. They invested heavily into trucks, without doing the home work on reverse load balance situation. Almost on the verge of collapse. As long as they are supported by somebody moneywise, they are running it. Otherwise there is no purpose. They just killed the market. Similarly there is 4tigo. They came to me also. They said we are not into transportation. We are trying to help out the transport industry, so you become our member. They positioned themselves as alternate of brokers. I took some interest, paid some money for enrollment also. Nandan Nilankani (of Infosys) also invested in this company. Finally it is into transportation and doing nothing else. That's why people don't have any trust on such players.

What do they do with the data collected?

If I am a transporter and if I have data of 50 companies, the collectors comes to know of my customers, what kind of rate they are taking etc. Things become easy to quote a percent lower than others. It's the gateway to get into transport business. Instead of hard work, building up from scratch, they collect data and start fishing. With the data they can easily go ahead. Customers they can easily pull in.

When did you become member of AITWA?

My first introduction with AITWA was in 2004. I was president of Bombay Goods Transport Association. That time I organized a live debate programme for which I invited 4 different categories. One from IRDA, one from Hindustan Lever, one from transport industry: O.P. Agarwal ji, and one from the police department. I was anchor of the show. Impressed by my performance, perhaps, Agarwalji asked me to join AITWA. Incidentally the management guru Shiv Khera was my chief guest in that programme.

Currently AIMTC is in election mode and there seems to be a lot of transparency. What's the election process is AITWA?

AITWA is a restricted kind of association. It is not that anybody and everybody related to transportation is a member. This is the association of the goods booking companies, not fleet owners, not brokers, not bus operators. The managing committee appoints an election officer. The EO invites proposals for all posts. If there is not much contest, the EO along with Chairman and President finalizes a team. A circular is sent out to all members to attend Nomination cum election meeting. If there are challenges, an elction process is in the system, which can be exercised. However there is not a huge competition in AITWA, as the people elected have to give their time and resources to the trade body without expecting anything in return but appreciation of members and that only if good work is done.

But Ramesh Agarwal, your previous Chairman, is a fleet owner...

Being a fleet owner in addition to booking is okay. Our activities are focused on the process of booking. When you are dealing with the customers, there are lots of issues. So we focus on that area mainly. Therefore,

we cater to companies who are serving customers by transporting.

What is the agenda for next two years during your Presidentship?

Expansion. Majorly we are focused in big cities; down the line, the small town, cities, they are not directly in touch. I want to rope them in, so that more are benefitted. Ultimately we are not distributing any financial help or anything. We are just helping out by way of information, training and guidance. We get plenty of calls seeking information and clarifications on various transport related issues. We need to have some connection with them to share such vital information. Our aim is to make better use of efforts and facilities by spreading those to larger audience.

For better business environment, you need to have bridges with the government. What is your experience in dealing with government?

It is mixed. If there is less success, we are also responsible sometimes. When we frame our demands, we must have national consensus among transporters. Let me give an example. Mr Nitin Gadkari attended one of our conferences where I was anchoring. Many issues were raised and one of them was about toll. The Minister said, "if you don't want toll, then you will not have the roads you have now. If you want good roads, then you have to pay toll." Transporters said, "we are ready to pay toll". Finally, he said: "Don't make toll, a bone of contention". When he is so clear on the subject of toll like this, this issue will never get resolved. Yet, you keep on raising the toll issue again and again. What happens? There is a sense of rejection from the government. There is a perception that transporters do not know what they want. So what we actually want also goes into the dustbin.

During the recent strike, Gadkari negotiated with the team. Transporters said, we are ready to pay toll - an annual fee. The minister asked: "Are you empowered by your industry? Can you ensure that every truck owner is ready to pay the annual fee which is running into crores of rupees every year? Nobody has an answer to that. Reason is that our homework was not complete. We had not done any referendum what an average trucker wants? My experience is that a good explanation, a good debate and a meaningful demand is always reciprocated. I believe in power of negotiation.

In Mumbai, we have excellent relationship with the GST department. Whenever we have a problem we inform the department, and they call us for a meeting and listen to us. Challenges are sorted out amicably this way.

Why not scale this exercise at the national level?

National level, who is negotiating? Leaders should have that kind of knowledge of the subject. Very few fit the bill.

Thanks, Mr Arya for your valuable time and comments.

Thanks.