

J. M. BAXI GROUP

# TIDINGS

ISSUE XI

OCTOBER - DECEMBER 2015



04

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*Quantum Cruising*

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**J. M. BAXI GROUP**

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### EDITORIAL TEAM:

Mr R. K. Ganguly  
Cdr. Sunil Dhulekar  
Mr Keki Master  
Mr Mayank Kaushal  
Mr Ravi Kumar  
Mr Rajnish Khandelwal  
Mr Vijayendra Acharya

### DESIGN TEAM:

Ms Dhara Kapadia  
Mr Deepesh T. K.

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J M BAXI GROUP

**A:** Dubash House, 15, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001. Maharashtra. INDIA.  
**B:** +91 . 22 . 22104444 | **F:** +91 . 22 . 22616222 | **E:** corp@jmbaxi.com | **W:** www.jmbaxigroup.com

## From the Quarter Deck

**D**ear friends, the last 3 months has seen global events that have caused some major upheavals. China devalued the yuan by 4% and then the stock market in China fell by 5% / 10% (all this in a span of 3 to 4 days). This led to a global discourse on the likely global impact with a slowing China. Countries such as Australia, Indonesia, Brazil etc. whose exports of natural resources depend on China's growth story would face stress as the various commodity prices of various type of resources are down by 30% to 50%. Crude Oil is presently ruling between \$ 40 to \$ 50 and it was at \$ 110 just some time back. Whilst the South American economies led by Brazil are struggling, the USA announced robust growth figures in the last quarter. These types of mixed occurrences are indeed adding confusion and turmoil to the current trend of events. The second major event was the agreement of the EU to bail out Greece. And lastly we are all seeing a massive human tragedy unfolding before our eyes of Europe getting hundreds of thousands of refugees streaming in through the Mediterranean Sea into Italy and Greece from Syria, Iraq and other affected regions.

With these global occurrences at the back of one's mind it is encouraging to observe our India report. In the latest report of container throughput at Indian Ports, a growth of 4% was reported. We continue to see a growth of container volumes on the East Coast of Indian ports and these robust growth numbers does confirm the belief that in the near future East Coast of India will aspire to handle 50 % of India's container volumes with Vizag getting more than its share of traffic due to its inherent geographical location. Our container terminal at Haldia, HICT, has been attracting extremely positive reactions from the trade. We have been able to encourage a 30% growth in container volumes on a comparable year on year basis. Our

new systems and processes as well as the refurbished equipment have led to an extremely positive report. As per the forecast received from our shipping lines, customers and partners is that in the next 6 months we should see a growth of 50% at HICT.

In this issue, we are carrying a brief report on the Hon. Minister of Shipping, Road Transport and Highways Shri Nitin Gadkari's visit to Paradip for laying out an ambitious road map for the port of Paradip including our proposed Multi-Purpose clean cargo berth project, PICT. The Govt of India and the Ministry of Shipping and ports are encouraging the coastal and river transport routes as well as the growth of ports called the Sagar Mala project. We are also pushing to have port connectivity projects to ensure the efficiency of ports. Furthermore, the concept of smart cities being located in the Port cities sounds exciting, especially as Kandla, Paradip and Vizag are all 3 port cities which have been designated as smart cities.

It is my pleasure to report that in one of my recent meetings, with one of the largest exporter whose factories are located in the NCR region, commented that they took a decision to shift 100 % of their volumes to DICT not only due to cost benefits but also due to our systems that are uniquely embedded in the working of DICT. We are pushing hard at DICT to ensure customer satisfaction and customer delight. The next few months, we hope that the figures will speak for themselves. DICT will further be strengthened by the arrival of our new trains which will begin to roll in by December of this year.

One of the most interesting projects that we are working on is to enable a cost effective solution for the Indo-Bangladesh trade which presently is relatively inefficient. We have worked with the concept that Vizag VCTPL and Haldia HICT present great opportunities to ensure an



unbeatable time and cost benefit solution. We have had encouraging success with the first lot of raw cotton shipped in containers through Vizag. We have set ourselves a target that between Vizag and Haldia terminals we would handle an incremental volume of 25000 TEU's per year of the Indo-Bangladesh trade. As they say even the longest journey begins but with the first step.

Friends, whilst we talk of a journey let me begin by saying that the next issue of Tidings that you will receive in the first week of January 2016 will be our first issue of our centenary year. Yes, *our centenary year*. J. M. Baxi & Co. will be celebrating a 100 years of its journey. It will be a proud moment for all of us. It will also be a year where we will all dedicate ourselves to our principals, customers and partners. We will dedicate ourselves to our future. We will dedicate ourselves to our values. Not many businesses or professionals and people are blessed with such an opportunity of living and creating history. Let us take this opportunity with undisguised enthusiasm and dedicated discipline to march towards a strong destiny.

We will share with you the programme that we have lined up for *our centenary year* in our next issue of Tidings.

I wish you all the very best for the upcoming festive season, a joyous Diwali, a merry Christmas and till 2016 ■

**Krishna B. Kotak**  
Chairman - J M BAXI GROUP



## Agency & Services

# Quantum Cruising

**T**he print and electronic media had been splashing the news in the local listings for some time. The local populace were abuzz and they even braved a few pre-monsoon showers to witness the arrival of the **Quantum of the Seas**.

A little after 8.15 am on 4 June 2015, the majestic beauty the **Quantum of the Seas**, the second largest cruise ship in the world, turned into Ernakulam Channel at Cochin harbour on its way to berth.

It was an achievement for the port of Cochin, as it was the first port in Asia to receive a cruise ship of this size. With a length of 1,141 ft and width of 136 ft drawing 168,666 GRT, the ship manoeuvred with ease alongside the berth without the use of port tugs and with the assistance of only the four on-board bow thrusters and the Azipods for propulsion. J.M.Baxi & Co., which has handled all the other large cruise ships that have visited Indian ports, had done it again with the **Quantum**.

With 4,905 passengers and 1,500 crew members of various

nationalities, the various formalities for the Immigration and Customs clearance were challenging.

However, we took all measures for speedy clearance by sending three immigration officers from Cochin along with our representative to board the ship at the previous port and they carried out the clearance formalities en route. The result was that the ship was cleared within 15 minutes of its arrival at Cochin and the visitors were free to see the local sights.

Inside, the ship is even more spectacular than its exterior. Costing USD 1.4 billion, it has all the modern gadgets and facilities to cater to the tastes of the most discerning cruise passenger. It is a mini city afloat on the seas with 18 decks and 16 passenger elevators. Of the 2,090 staterooms, 1,571 are fitted with balconies and 375 with virtual balconies, and there are 34 wheelchair-accessible staterooms.

Royal Caribbean Cruise Lines, the owners, went into great

detail during the planning and construction to ensure that every age group would find things of interest. Some of the unique gastronomical features include Jamie Oliver's signature Italian restaurant and the Wonderland restaurant, where the entire decor is styled on an Alice in Wonderland theme. Another favourite is the robotic bar, where drinks are prepared by a pair of robotic arms, which conjure up all the cocktails.

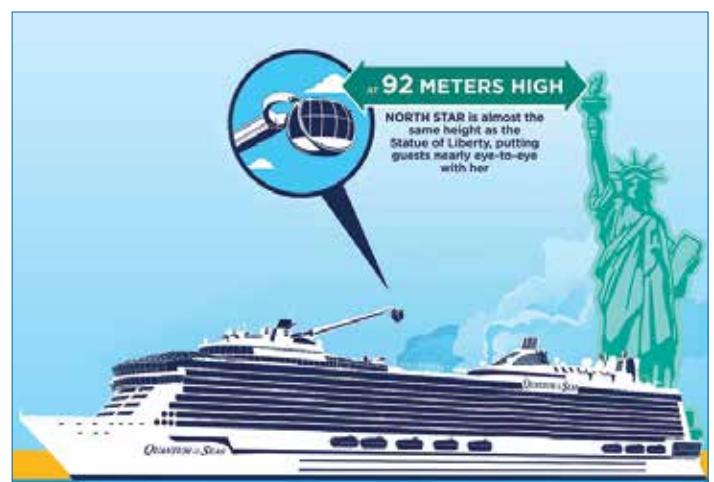
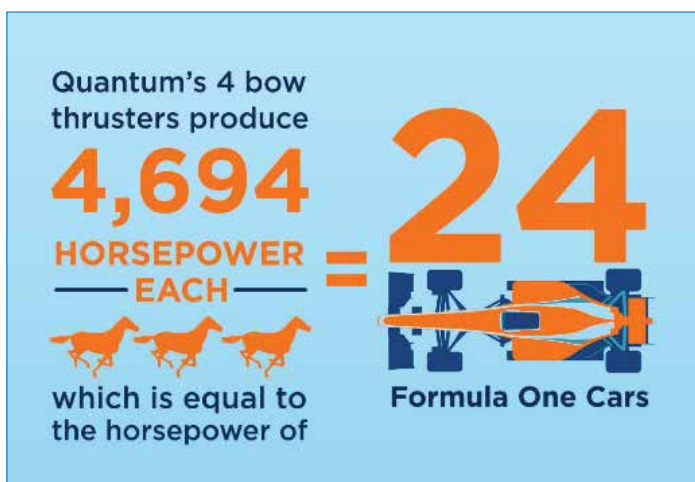
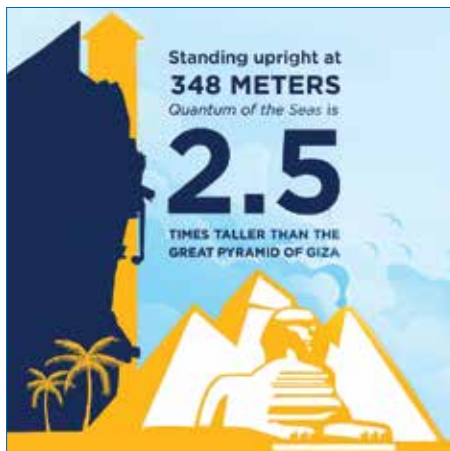
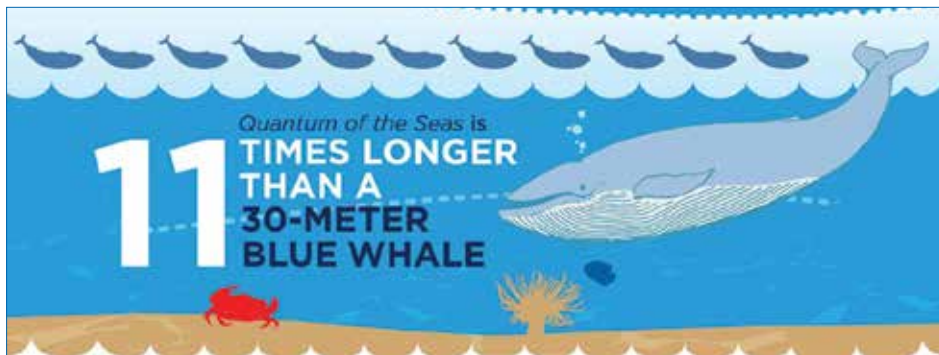
The main attraction on board the ship is the North Star, which is a special feature of the Quantum class ships. It is a transparent capsule fitted on one end of a robotic arm, which lifts it 300 ft above sea level over the topmost deck. The breathtaking 360° view of the sea and the landscape while in port is a moment to cherish.

The ship also boasts of the first ever skydiving simulator at sea. This is on the top deck. You can experience the thrill of flying in the air and soar in a safe and controlled environment.



## Agency & Services

The Quantum spent a night at Cochin where 79 Indian passengers embarked for a 10-day cruise to Singapore. It was another challenging call for J. M. Baxi & Co., which pulled it off with flying colours after having successfully met all the ship's requirements for its Cochin visit. After a memorable 34 hours at Cochin port, the Quantum sailed towards South-East Asia and later for Shanghai ■





## Agency & Services

# Container Shipping – Value Added Services

India was a relatively late entrant into the world of container shipping as dedicated container terminals evolved in the 1980s. Jawaharlal Nehru Port Trust (JNPT) was commissioned in 1989 as the first container terminal in India. Since its inception, JNPT has been leading the development of container terminals in India. From a throughput of 0.04 million TEU in 1989, it handled 4.30 million TEU during the 2014/15 financial year (from April to March). This is almost 40 per cent of India's total container trade. JNPT presently has three container terminals and a fourth terminal with a capacity of over 4.8 million TEU is being set up in two phases.

India has many container terminals spread across its coastline, with a combined annual throughput of 11 million TEU. Over 70 percent of this throughput is handled on the west coast with the balance on the east coast. Most of these terminals are operated by major Indian and international operators and a few by the government. India's container terminals match international standards in terms of their capacity to handle modern ships as well as on efficiency parameters.

However, draft and other port infrastructure restrictions limit the size of vessels that can call at Indian ports. The largest ships calling at Indian ports are 8,000 to 10,000 TEU. Some ports have made dredging a priority, which



would enable some of the larger ships to stop at Indian coasts soon.

J. M. Baxi & Co. was one of the earliest agency houses handling containers in India, which commenced from the ports at Mumbai and Kandla in the early days. The company represents various shipping lines in its capacity of marketing and operating agent as well as undertaking stevedoring of liner vessels. J. M. Baxi & Co. represented the first container line at JNPT and continues to represent liner principals at many Indian ports. It has dedicated teams with expertise in liner shipping at all container ports and ICDS.

J. M. Baxi & Co. has been able to maintain its position of a leading independent liner agent in India by continually improving its services for principals as well as clients. As a part of the overall synergy J. M. Baxi & Co. also owns and operates container port terminals, container freight stations,

inland cargo terminals, container trains and container yards.

Container yard management is a unique service offered at JNPT. J. M. Baxi & Co. is responsible for receiving export containers into the yard, storing the containers as per the weight and shipment schedule, planning the stowage of vessels and arranging the loading of the containers as per the plans. The entire operation involves high automation backed by a dedicated round the clock team at the yard. Owing to the efficiencies offered by maintaining a dedicated yard inside the port, many liner operators and feeder operators have taken up a yard inside JNPT. When a vessel calls, the operators rely on J. M. Baxi & Co.'s trusted yard management services to feed the vessel in the minimum time. J. M. Baxi & Co. has been offering this value-added service to its principals since the 1990s and will continue to do so as a trusted and reliable agent ■



## In Conversation

# Boxco Mobilised Consignment For GODREJ

**R**ecently, we engaged the services of BoxcoLogistics for multimodal transportation of four critical over-dimensional cargo consignments (ODCs) from the Godrej Vikhroli works to the Jamnagar project site of Reliance Industries Limited.

The urgency of the delivery of this consignment was of prime importance and we wanted the operations to commence within two days of order placement. While all other service providers found it difficult to meet this move requirement at such short notice, Boxco Logistics rose to the occasion and mobilised the requisite work force and equipment within two days, despite it being a weekend.



**Mr Pradeep Berde is BE (Mechanical engineering) from the University of Pune . He graduated in 1997.**

**Immediately after completion of the B.E. Mechanical Engineering degree he joined L&T where he served in various positions for 12 years. In 2009 he moved to EMCO. After a brief stint there he joined Godrej & Boyce in 2011 as AGM.**

Upon commencement of operations and roll-on of the ODCs onto the barge, we were faced with another roadblock posed by the marine surveyors of Reliance Industries, who had very stringent demands for lashing and securing the cargo. Boxco systematically clarified all the queries posed by the surveyors while at the same time arranged for additional material and staff to satisfy the safety audit without any additional cost implications for Godrej.

Boxco extended its complete cooperation and showed a high level of professionalism during the entire operation ■



## Logistics

# Agriculture Export

### CURRENT GLOBAL VIEW

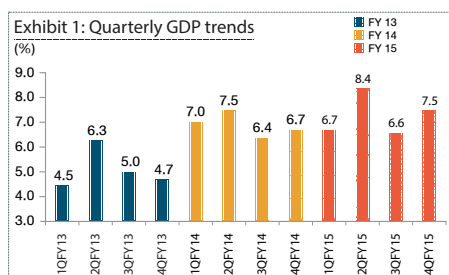
- The U.S. Federal Reserve on July 29 decided to leave its benchmark interest rate near zero, as expected. Further, the policy statement did not send a clear signal about the timing of the first rate increase
- China's central bank allowed its Currency to devalue by 2% i.e. Central Bank has adjusted the daily trading band for the Yuan, which is allowed to fluctuate 2% above or below a rate set by the People's Bank of China
- International crude prices plunged below \$40 a barrel for the first time since the financial crisis of 2009

### BRIEF INTRODUCTION OF INDIAN ECONOMY AND AGRICULTURE SECTOR

India is tenth largest economy in the world with \$2,048,000 million, Services with 57.9% share to the GDP is major Contributor to the Economy and when we compare services Industry with Globe India Stands at eleventh position. Industries contribute 24.2% share and hold twelfth position in the globe, whereas contribution of Agriculture to the Indian GDP is 17.9%. This is the second largest Agri Economy (\$366,592 million) after China.

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the GDP (17% plus of GVA).

The country is the largest producer, consumer and exporter of spices and spice products. It ranks third in farm and agriculture outputs. Agricultural exports constitute 10 per cent of the country's exports and the fourth-



largest exporter from the country. The agro industry in India is divided into several sub segments such as canned, dairy, processed, frozen food, fisheries, meat, poultry and food grains.

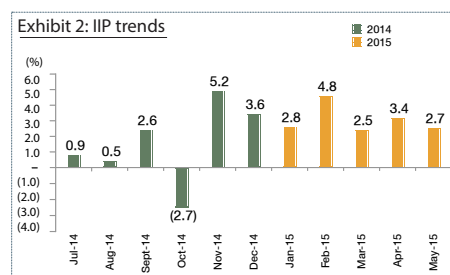
The Department of Agriculture and Cooperation under the Ministry of Agriculture is responsible for the development of the agriculture sector in India. It manages several other bodies, such as the National Dairy Development Board (NDDB), to develop other allied agricultural sectors.

### MARKET SIZE

Over the recent past, multiple factors have worked together to facilitate growth in the agriculture sector in India. These include growth in household income and consumption, expansion in the food processing sector and increase in agricultural exports. Rising private participation in Indian agriculture, growing organic farming and using information technology are some of the key trends in the agriculture industry.

As per the 3<sup>rd</sup> Advance Estimates, food grain production is estimated at 251.12 million metric tonnes (MMT) for 2014-15. With an annual output of 138 MMT, India is the largest producer of milk. It also has the largest bovine population.

India is the largest producer and importer of pulses at 19.0 MMT and 3.4 MMT, respectively. India, the second-largest producer of sugar 28.7 MMT, accounts for 14 per cent of the global output 193.8 MMT. It is the sixth-largest exporter of sugar 1.5 MMT, accounting



for 2.76 per cent of the global exports 54.15 MMT.

Spice exports from India are expected to reach US\$ 3 billion by 2016-17 due to creative marketing strategies, innovative packaging, strength in quality and strong distribution networks. The spices market in India is valued at Rs 40,000 crore (US\$ 6.42 billion) annually, of which the branded segment accounts for 15 per cent. The procurement target for rice during marketing season (MS) 2014-15 has been finalized as 35.10 MMT.

### INVESTMENTS

Several players have invested in the agricultural sector in India, mainly driven by the government's initiatives and schemes.

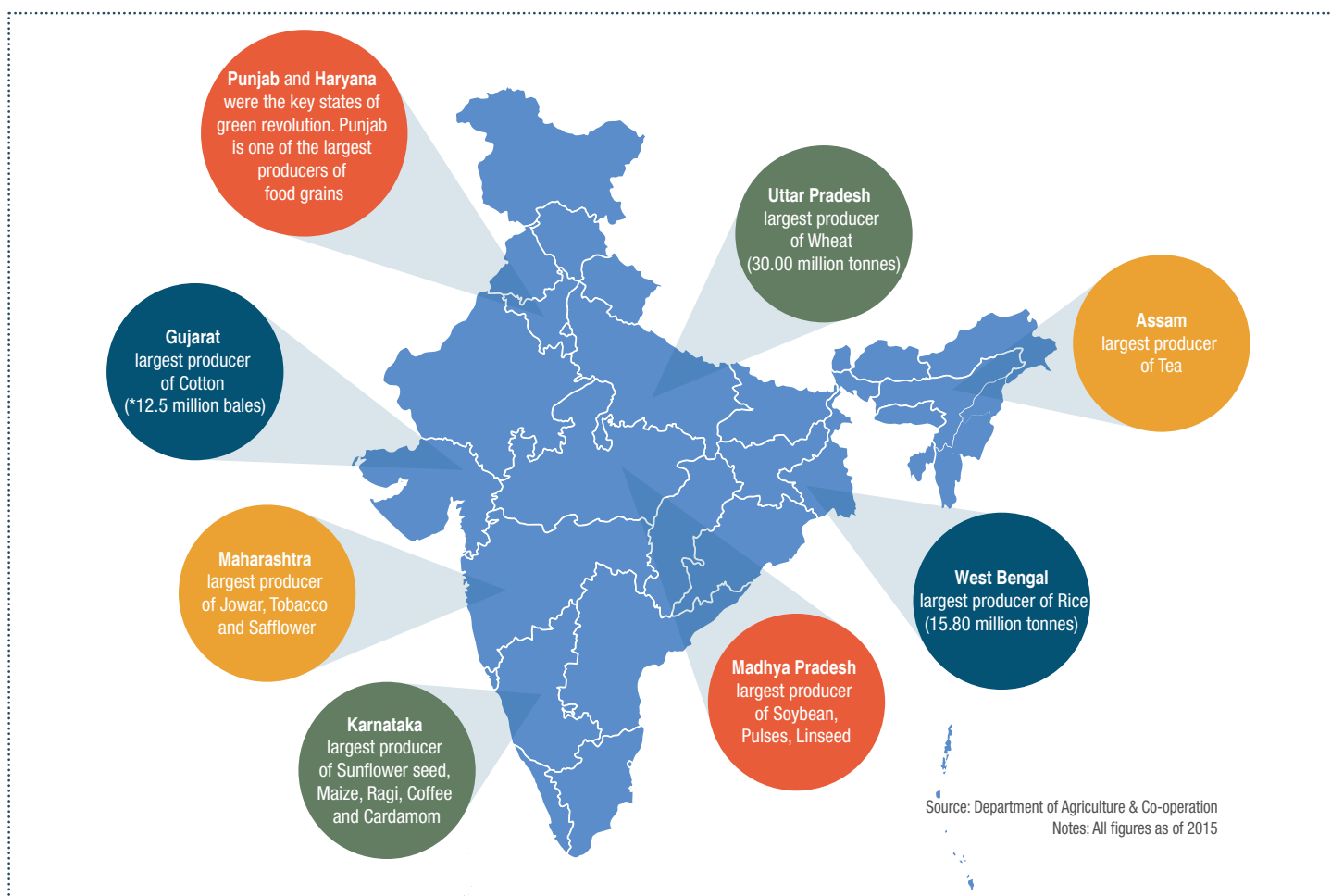
According to the Department of Industrial Policy and Promotion (DIPP), the Indian agricultural services and agricultural machinery sectors have cumulatively attracted foreign direct investment (FDI) equity inflow of about US\$ 2,182 million from April 2000 to May 2015.

Some major investments and developments in agriculture in the recent past are as follows:

- Rabo Equity Advisors, the private equity arm of Netherlands-based Rabo Group, raised US\$ 100 million for the first close of its second fund – India Agri Business Fund II. The fund plans to invest US\$ 15-17 million in 10-12 companies.

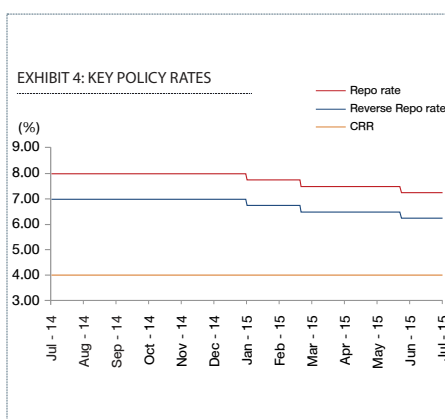
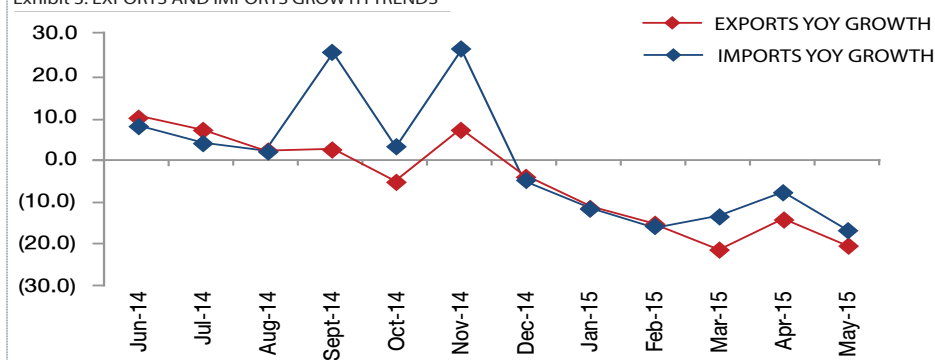


# Logistics



- Oman India Joint Investment Fund (OIJIF), a joint venture (JV) between the State Bank of India (SBI) and State General Reserve Fund (SGRF), invested Rs 95 crore (US\$ 15.25 million) in GSP Crop Science, a Gujarat-based agrochemicals company.
- The world's seventh-largest agrochemicals firm, Israel-based ADAMA Agrochemicals plans to invest at least US\$ 50 million in India over the next three years.
- Belgium-based Univeg recently collaborated with Mahindra & Mahindra to develop a fresh fruit supply chain.
- Companies from the US, Canada, Australia, Israel, the Netherlands and other European countries have shown strong interest to transfer the best practices, linkages between scientific institutes,

Exhibit 3: EXPORTS AND IMPORTS GROWTH TRENDS



agriculture storage, cold-chain management, market access, and productivity enhancement such as the introduction of new technology in seed and plant biotech.

- Canada-based International Food Security Research Fund has major investments in food security research in several Indian universities. These strengthen food-processing and sustainable agricultural techniques ■

## Logistics

# BoxcoWorld Handles Ocean Freight For The Balingasag Project In The Philippines

**B**oxcoWorld Logistics Pvt Ltd has been appointed by Marubeni Logistics Japan to handle the ocean freight for the prestigious Balingasag project in Cagayan de Oro Philippines. The project receives supplies from several manufacturers, such as ThyssenKrupp and GE Triveni. The scope for BoxcoWorld includes consolidation of cargo at Mumbai port and arranging ocean carriage to Cebu and Cagayan de Oro.

The customs clearance for the project was awarded to a multinational forwarder, Ahlers, which outsourced

the work to Boxco Logistics. For the second and third shipments, J. M. Baxi & Co. were appointed as the vessel agents.

A project such as this is a typical example of J M BAXI Group expertise as an Integrated logistics service provider in India. Major international logistics companies that are entrusted with prestigious contracts count on the J M BAXI Group for the reliable execution of these contracts in India.

The first shipment, loaded onto vessel *Han Li*, measured 3500 CBM.

It comprised a mix of stackable and non-stackable items, which were extremely complicated to handle.

The second and third shipments will be loaded onto vessel *Han De* at Mumbai and Nhava Sheva. They include heavy lift pieces 82 m in length and 5.5 m high, weighing 6,500 freight tonnes.

BoxcoWorld Logistics is fast emerging as one of the major forwarding companies for break bulk shipments from India ■



TOSHIBA – BALINGASAAG PROJECT CEBU PHILIPINES

## Infrastructure

# Hon'ble Minister Visits J. M. Baxi At Paradip

**W**e were very pleased to welcome Shri Nitin Jairam Gadkari, the Hon'ble Union Minister for Shipping, Road Transport & Highways, to Paradip Port on 10 July 2015. He was accompanied by Shri Dharmendra Pradhan, the Hon'ble Union Minister of State (Independent charge) for Petroleum & Natural Gas, Dr Damodar Rout, the Hon'ble Minister for Co-operation and Excise, Government of Odisha, and Dr Kulamani Samal,

the Hon'ble Member of Parliament for Jagatsinghpur. The Minister reviewed various development programmes at the port and also inaugurated new projects worth Rs 269 crores.

The Hon'ble Minister and the other dignitaries visited the exhibition where we highlighted our new BOT Project, the Paradip International Cargo Terminal (PICT). Our chairman Shri Krishna Kotak greeted the Hon'ble Minister and explained to

him that our terminal will be first of its kind in Paradip to handle clean cargo like food grains, agri-products, fertiliser, iron and steel, containers etc. He also described the master plan for the project and other relevant details. The Hon'ble Minister, with his in-depth knowledge and deep interest in areas such as bio-fuels and agriculture, was convinced of the key role that our proposed terminal will play for the vast agricultural hinterland of Odisha, Jharkhand and Bihar ■



Shri Krishna Kotak, Chairman, J M BAXI GROUP briefing Shri Nitin Gadkari, Hon'ble Minister, for Shipping, Road Transport & Highways on the layout of Paradip International Cargo Terminal



## Infrastructure

# VCT Hub On The East Coast



**T**he coastal shipping agreement between India and Bangladesh, inked on 6 June 2015, has opened new gateways for trade between the two countries. Bangladesh is India's largest trading partner in South-East Asia and the volume of trade is increasing every year. Trade between India and Bangladesh was valued at \$6.9 billion for 2014-15. Out of this, India's exports to Bangladesh were \$6.2 billion, while imports from Bangladesh were about \$700 million.

Another important trading nation with India is Myanmar. The bilateral trade is expected to reach \$10 billion by 2020. India is Burma's fourth largest trading partner after Thailand, China and Singapore, and its second largest export market after Thailand, absorbing 25 percent of its total exports.

Visakha Container Terminal (VCT) has been fortunate in having direct services to both Chittagong and

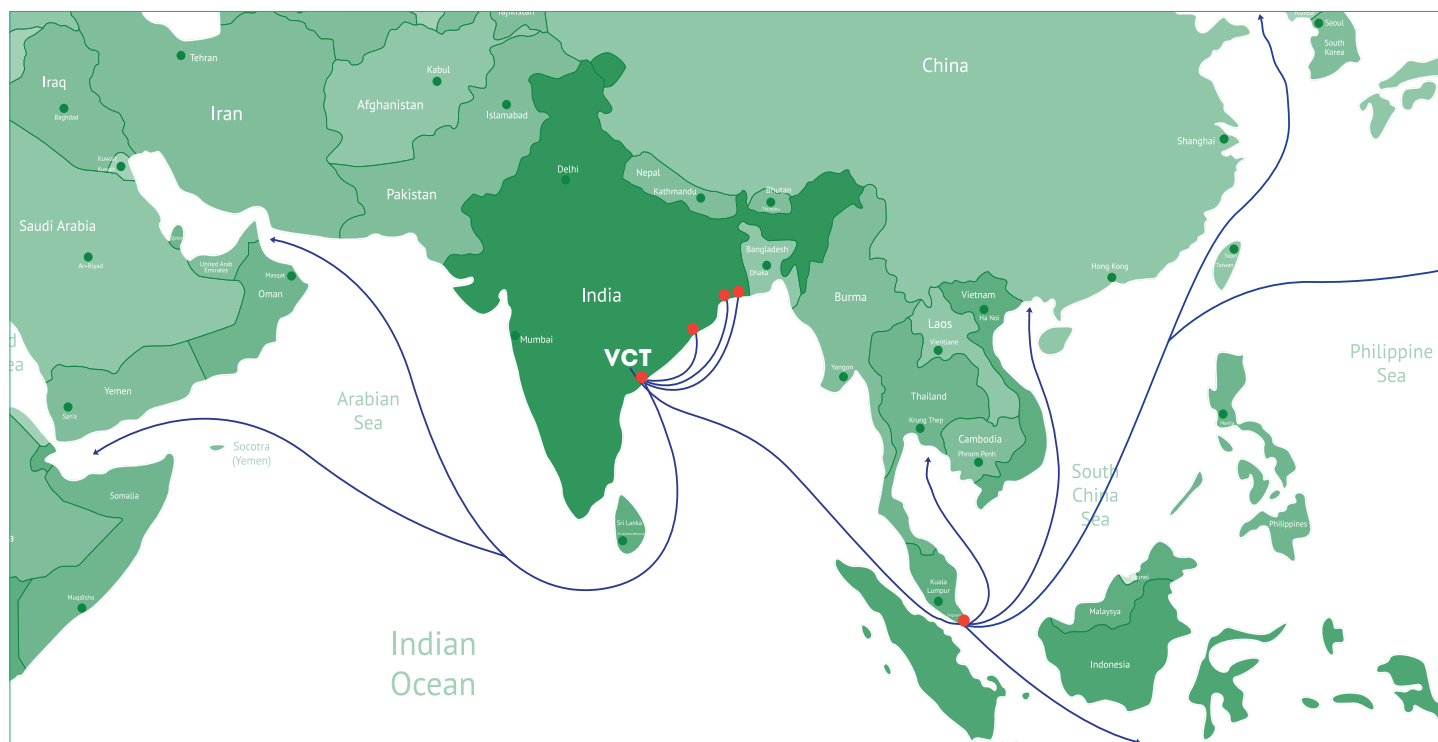
Yangon in line with the government's vision to enhance connectivity between these nations. Riding on the success of two direct services to the Middle East with the commencement of CCG (Chennai, Colombo and Gulf) and PIX-2 (Pan India Express), VCT

has added another feather to its cap by launching a dedicated feeder service to Yangon. The dedicated service by Herbilan Shipping Private Ltd, which is based in Sri Lanka, will link Colombo, Vizag and Yangon on a fortnightly basis. This is due



(From left): Mr G.V. R. Mohana Rao, Partner, G. Pattabhiramayya Shipping Pvt. Ltd., Capt. Capangpangan Sernuel Tampus (Master of the Vessel), Mr Sushil Mulchandani, Chief Operating Officer, VCTPL & Mr Anil Narayanan, Vice President - Operations, VCTPL.

# Infrastructure



to the increase in exports of steel and cement to Yangon and in return veneers and pulses will be imported from Myanmar. Not only the local hinterland, but also ICD locations will benefit from this service, which offers direct connectivity to Yangon thereby reducing the transit time by at least 3 to 5 days compared to other ports.

There is also a dedicated service by SCI from South India to Bangladesh on the lines of the Sagar Mala project. Extending this service to Visakhapatnam is being contemplated too. The cargoes that are currently being transported by road from the hinterland of Visakhapatnam to the borders of Benapole and Petrapole are being targeted for conversion through this direct service to Chittagong. This

model is expected to be competitive in freight for shippers and would eliminate all the cumbersome documentation which the exporters have to produce currently while transporting goods by road. Vast volumes of cotton, steel and other agro products are being moved to Bangladesh by road today from the hinterland of Visakhapatnam.

With a vast hinterland covering eight states within a radius of 750 km and now expanding its horizon to the north, Visakhapatnam has all the inherent advantages for becoming the container hub on the east coast of India. The state - of - the - art container terminal has the best-in-class marine parameters to accommodate the largest of the ships plying international waters today. The weekly main line services

to China, South - East Asia and the Gulf well complement the direct services to Chittagong and Yangon from Visakhapatnam to make it the transshipment hub. Cargoes from these countries to Myanmar and Bangladesh can now be transhipped at VCT in addition to Kolkata, Haldia and Paradip.

Shipping Corporation of India has recently launched the SCI Middle East India Liner Service (SMILE) from Visakhapatnam to the Gulf. This is yet another initiative to transform Visakhapatnam into a container hub. The service currently runs every month and depending on the market response the frequency may be enhanced.

Visakha Container Terminal now has nine services a week with the commencement of the Yangon and Chittagong services, which translates to a sailing everyday from this state -of - the - art facility. Visakhapatnam has adequate services connecting both eastbound and westbound sectors. All the aforementioned developments augur well for VCT to promote direct services to Europe ■





## Infrastructure

# Doing It The JMB Way - At Haldia International Container Terminal



YARD ORGANISATION AND PAVING



RTGC (RUBBER TYRED GANTRY CRANE) RE-CONDITIONING



CREATION OF BOUNDARY WALLS AND ENHANCING SECURITY

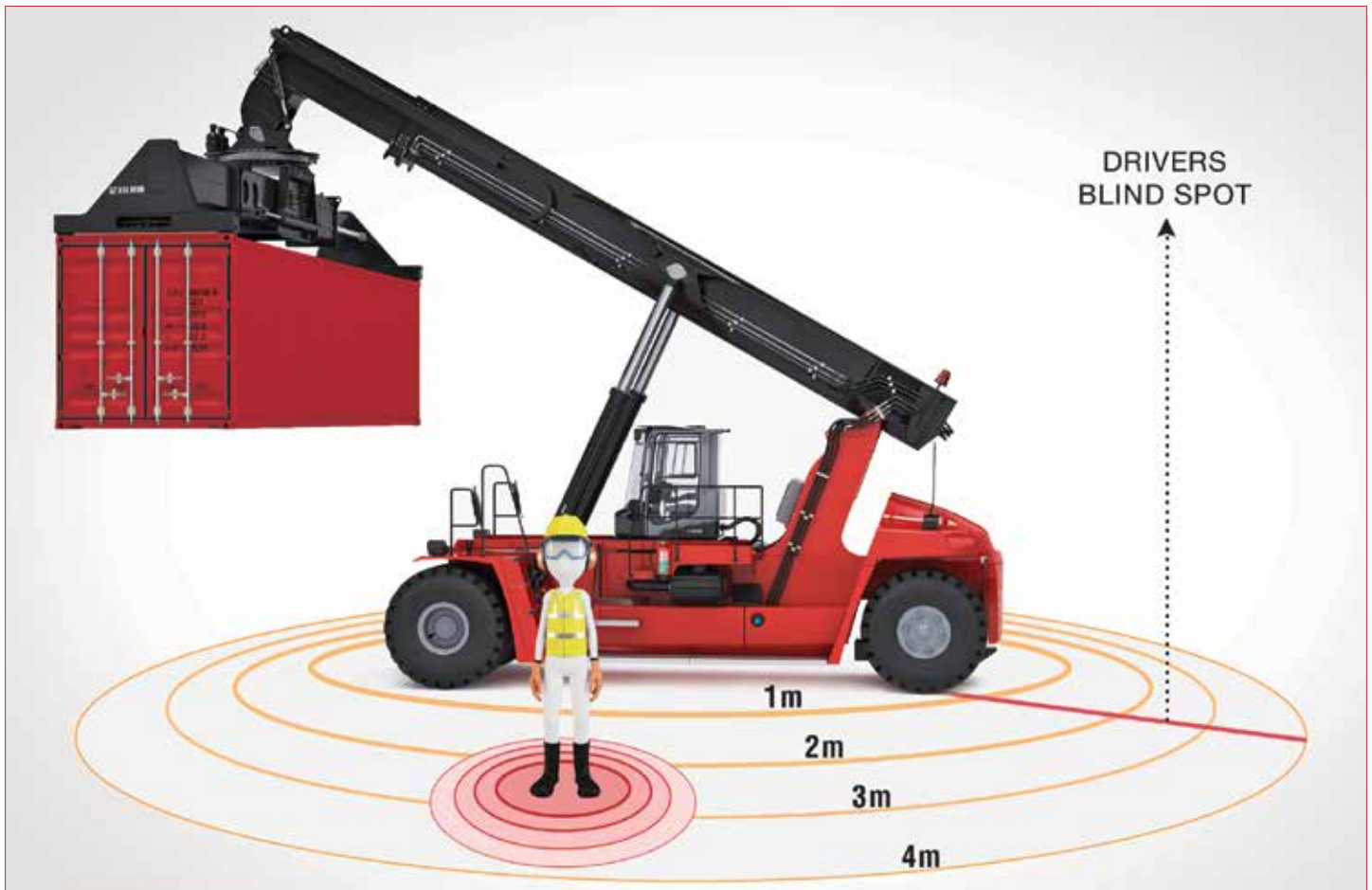


ALIGNING AND CLEANING UP RAIL TRACKS



**We** Connect

# Safety Embedded In Our Systems



In an effort to promote a safe and secure working environment, Mumbai International Cargo Terminal has installed a man-machine interface (MMI) system.

MMI is a warning system designed to help prevent collisions between equipment and personnel working in close proximity to each other.

The alerting system consists of eight radio frequency (RF) antennas, which are located on a vehicle or machine operator without restricting operational views or machine controls. These antennas create a 360° RF safe zone of radius 8 to 10 m. Every person in the facility is required to wear a safety jacket



with an embedded radio frequency identification (RFID) chip. The 360° zone means that these RFID transponders can be detected even in blind spots where the operator or vehicle-mounted cameras may not be able to see. The unit gives an automatic audible and visual alert to the equipment operator when anyone wearing such a jacket breaches the equipment's safe zone. If the detected person does not leave the safe zone, then MMI increases the volume of the audible alert.

Further, the MMI system logs all alarms, and these records can be used to review near misses and collisions to evaluate and improve operational procedures ■

## In Focus

# Logistics Parks Imperative In The Indian Context

**W**ith the increase in international and domestic trade in India resulting in the pan-Indian movement of men and materials, the establishment of properly integrated and custom-tailored Logistics Parks has become a virtual necessity and which needs to be adequately addressed.

Logistics Parks will continue to emerge in the primary and secondary hubs forming a hub-and-spoke network. Today while a majority of India's logistics infrastructure are traditional warehouses, some world class multimodal logistics parks have indeed begun to emerge (*a prime example being the Delhi International Cargo terminal-DICT*) whose facilities are equipped with racking systems, palletization and standardization, where the warehouses are leak proof structures, with 24 hour security, multi user facility with modern infrastructure which are located near optimal locations, who make the best usage of automation and IT leading to minimum pilferage and losses. Also in the Indian context it is pleasing to note that the Central and State governments have been taking progressive steps to promote and establish various logistics parks all over the country involving public – private participation.

Fortunately, the prevailing concept of logistic parks in India being perceived mainly as warehousing facilities has undergone a sea-change (pun unintended). The approach to logistics parks has now become more holistic involving a whole range of value-added facilities cum services and from the perspective of such logistics parks being a natural corollary to sea ports, inland waterways, airports and industrial hubs.

Roadways continue to dominate the market of transportation. But rail freight is also growing at a very significant pace. While road transportation is good for short distances, rail transportation is possibly the best mode for medium and long distances. A major part of our import and export trade is serviced by the building up of capacity across sea ports. We also need to address whether we can use the inland waterways for transporting goods for domestic use and export consignments to neighbouring countries. Air cargo constitutes an added dimension and we should consider having logistic parks located near the airports specially in the context of the rapid expansion and modernization of airports in India. Ideally of course we should look at the best mix and match of various transportation modes and the availability of the requisite infrastructure when setting up logistics parks on a holistic basis. Value-added services such as cross-docking, customization, stacking

and labeling are a must. Companies that are located within the facility get benefited in the form of reduced costs (less tied-up capital, economies of scale, and/or logistics outsourcing) or an ability to provide better services in cooperation with other companies operating within the park.

### J M BAXI GROUP INITIATIVES

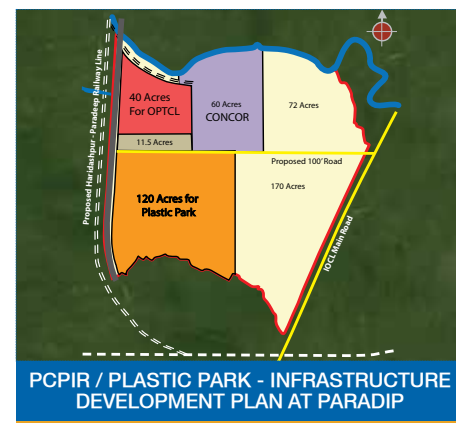
The J M Baxi Group incidentally has become an important player in owning and operating logistics hubs with the most recent initiative being the well-known Delhi International Cargo Terminal (DICT).

Taking on both the vertical and as well as horizontal service integration challenge - Delhi International Cargo Terminal (DICT), a subsidiary of J M Baxi Group and India's first ever integrated logistics park has virtually re-defined bulk and container logistics with its new integrated rail-linked logistics park cum Inland Container Depot (ICD) built on a sprawling 65 acres of land at





## In Focus



Sonepat near Delhi. Among one of the first such integrated multi-cargo handling infrastructure facility to be developed under one consolidated service umbrella, the DICT offers a host of logistics services – designed to cater to a wide range of customers. The DICT concept, which is a full-featured integrated logistics park combines discrete logistics activities under its single flagship and thereby provides a win-win proposition for its customers. Be it handling containerized cargoes, empty storage, container repair, bulk cargo warehousing, liquid bulk storage (clean liquids or chemicals), ICD facility with rail-head movements, cargo equipments to handling different cargoes, cold storage facility for refrigerated cargo, bagging facility for bulk cargoes like fertiliser, cement etc - DICT is a single-point solution.



### UPCOMING LOGISTICS PARKS IN ODISHA

The Odisha Industrial Infrastructure Development Corporation (IDCO) IDCO is the Nodal Agency of the Odisha government for creating industrial areas, industrial estates, and logistics parks as growth centers etc. at different strategic locations in the State of Odisha.

IDCO has identified over 2 lakh acres of compact patches of land in 10 districts of the state namely Angul, Balasore, Bhadrak, Cuttack, Dhenkanal, Jagatsinghpur, Jajpur, Jharsuguda, Khurda and Sundargarh for creating a land bank for setting up of various industries / industrial / logistics parks. For setting up of the industrial parks, IDCO is creating SPVs for execution of the projects. For instance, SPVs have been

created for setting up of National Investment and Manufacturing zone at Kalinga Nagar Industrial complex, PCPIR (Petroleum, Chemical and Petrochemical Investment Region) hub at Paradip along with the Plastic Logistics Park also at Paradip and a manufacturing zone at Dhamra port apart from an Aluminium Park at Angul, a Seafood park at Deras near the capital city of Bhubaneswar ■

#### ADVANTAGE DICT

Moreover with its port operations in Vizag, Paradip and Haldia ports and container freight stations near JNPT and Vizag, the J M Baxi Group is awaiting keenly the announcements for setting up logistics hubs in various locations in the eastern state of Odisha and specially in the two port-centric locations of Paradip and Dhamra where the J M Baxi Group already have presence and interconnectivity.



## Weights & Measures

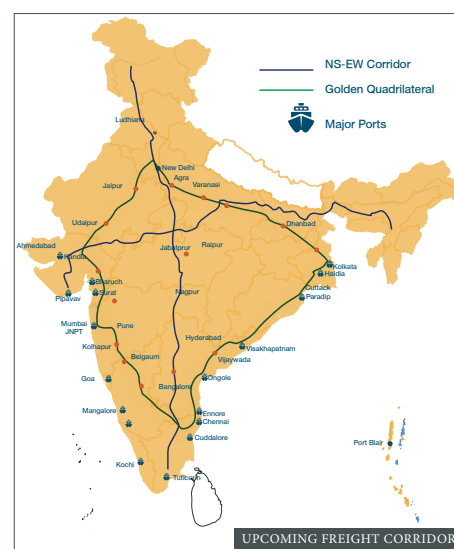
# Redefining Hinterland Container Logistics

India is among one of those countries witnessing cutting edge transformation - with surge in its overall container throughput, port and terminal handling capacity and more importantly, how its relatively vast geography is getting steadily transforming into a complex network of multi-modal transportation and freight processing service networks. In fact, hinterland container logistic networks - comprising inland container depots (ICDs) and container freight stations (CFS) that had initially concentrated around few major gateway container ports like Nhava Sheva and Mundra in Western India and around Chennai in South India - are now increasingly finding themselves spread to new locations across upcoming freight corridors, new industry and cargo clusters, including Export Processing Zones (EPZs), Free Trade Zones (FTZ) etc. These locational decisions of CFS/ICDs will have significant bearings on the efficiency and competitiveness of the whole supply chain, e.g., transport cost, connectivity, and transport modes. There is no functional distinction between an ICD and CFS, as both are transit facilities, offering services for containerization of break bulk cargo and vice-versa. They are served by rail and /or road transport. An ICD is generally located in the interiors away from the servicing ports. while CFS, on the other hand, is an off dock facility located near the servicing ports, which helps in decongesting the port by shifting cargo and customs-related activities outside the port area.

Given the dispersed pattern of container cargo trade in India, the demands on ICD-CFS industry are challenging indeed. Presently, 177 CFS/ICDs (both rail and road based) are reportedly functioning out of a total 227 approved by the Ministry of

Commerce. Container Corporation of India, Ltd. (CONCOR) the largest single player in the segment has put in place an extensive network of 62 CFS/ICDs, of which 18 are pure exim terminals, 14 pure domestic terminals, and 30 mixed terminals which handle both exim and domestic cargo. Container traffic for CONCOR has seen more than a two-fold jump from 1.2 million TEUs in 2000-01 to 2.6 million TEUs in 2011-12. Currently, it has a market share of about 75 per cent handling about 3 million TEUs, roughly a quarter of total container throughput of India. Central Warehousing Corporation (CWC), yet another public sector player in the segment operates 35 Container Freight Stations (CFSs)/ Inland Container Depots (ICDs) across the country. Out of the total 177 ICDs and CFSs in operation, as many as 99 (56%) are in the private sector; while a number of new ICD-CFS projects are in different stages of implementation. Interestingly, Tamil Nadu (with 47 of these CFS/ICDs in operation) ranks first according to numbers, followed by Maharashtra (33) and Gujarat (25). A large number of smaller private players in the sector with limited and localised presence in the container logistics market form intrinsic part of the operative environment.

Due to uneven spatial distribution of manufacturing activity, the distribution of functioning CFS/ICDs within India is also uneven, with about 39 per cent, 33 per cent and 20 per cent being located within the southern, western and northern regions respectively (the central and eastern regions are conspicuous by the smaller presence of ICD/CFSs). Concor ICD at Amingaon (Assam) was the only one serving the entire North-Eastern Region. In terms of location, the ICD is in a



disadvantageous position, as the nearest sea port Kolkata is at a distance of 1,100 kilometers. The primary item of export from the region is tea, while there was hardly any import, and the exporters had to pay even for bringing empty containers from Kolkata to load their exports. This rather highly uneven spatial distribution has led to sporadic congestion in a few of the dry ports, especially in North India, instances of breakdown of infrastructure and underutilization of capacity at Nhava Sheva in Western India. Trade imbalance - in terms of actual movement of import and exports containers and demand for and supply of empty containers, further gives rise to new challenges of empty container repositioning, while poor flows through existing freight pipelines (requiring less than container load (LCL) to be consolidated into full container loads (FCL) and added costs due to connectivity gaps in terms of transportation linkages ■

# Port Statistics

## SHIPPING & CARGO PERFORMANCE

QUARTERLY UPDATES ON INDIAN MAJOR & MINOR PORTS (QTY IN MILLION TONNES)  
APRIL - JUNE 2015 (1<sup>st</sup> QUARTER) / APRIL 2015 - MARCH 2016

### AGRICULTURAL PRODUCTS

	SUGAR		SOYAMEAL		WHEAT		RICE		MAIZE	
	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14
No. of Ships called	5	11	0	2	7	13	5	14	1	26
Total Cargo Handled	0.117	0.207	0.000	0.055	0.159	0.353	0.099	0.228	0.026	0.874
Inbound	0.000	0.051	0.000	0.000	0.019	0.000	0.000	0.000	0.000	0.000
Outbound	0.117	0.156	0.000	0.055	0.140	0.353	0.099	0.228	0.026	0.874

### FINISHED FERTILIZERS & FERTILIZER RAW MATERIALS

	UREA		SULPHUR		ROCK PHOSPHATE		DAP		MOP	
	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14
No. of Ships called	30	19	20	18	49	49	35	12	19	28
Total Cargo Handled	1.698	1.002	0.424	0.458	1.834	1.945	1.477	0.450	0.497	0.837
Inbound	1.698	1.002	0.141	0.359	1.834	1.945	1.477	0.450	0.497	0.837
Outbound	0.000	0.000	0.283	0.099	0.000	0.000	0.000	0.000	0.000	0.000

### COAL

	THERMAL COAL		COKING COAL		MET COKE		PET COKE		ANTHRACITE COAL	
	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14
No. of Ships called	194	178	175	163	14	34	34	18	5	9
Total Cargo Handled	9.927	9.068	10.061	9.718	0.403	9.341	1.416	0.705	0.084	0.199
Inbound	2.886	2.938	9.843	9.538	0.403	9.330	1.317	0.659	0.084	0.199
Outbound	7.041	6.130	0.218	0.180	0.000	0.011	0.099	0.046	0.000	0.000

### STEEL & RELATED ORES

	STEEL PRODUCTS		SCRAP METAL		CHROME		MAGNESIUM ORE		IRON ORE	
	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14
No. of Ships called	250	188	7	5	4	2	7	35	97	190
Total Cargo Handled	2.927	2.509	0.218	0.124	0.009	0.008	0.139	0.664	4.789	8.889
Inbound	2.032	1.360	0.218	0.124	0.005	0.000	0.139	0.653	2.763	2.984
Outbound	0.895	1.149	0.000	0.000	0.004	0.008	0.000	0.011	2.026	5.900

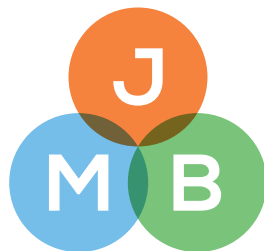
## INDIAN PORT PERFORMANCE - Q1 & FY 2015-16 THROUGHPUT(QTY IN METRIC TONNES)

APRIL - JUNE 2015 (1<sup>st</sup> QUARTER) / APRIL 2015 - MARCH 2016 QTY IN MILLION TONNES)

Ports	Types of Ports	NO. OF SHIPS		LIQUID CARGO		BULK CARGO		CONTAINERS (TEUS)		TOTAL CARGO *	
		1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14	1 <sup>st</sup> Qtr	Apr'14-Jun'14
Kandla	■	286	140	2.576	0.625	2.082	0.707	-	-	4.993	1.339
Mumbai	■	535	566	4.800	5.064	3.448	3.574	9,123	10,025	8.487	8.836
Nhava Sheva	■	103	120	1.310	0.114	0.224	0.220	1,100,401	1,105,065	1.535	0.334
Mormugao	■	131	115	0.246	0.250	3.422	2.767	-	-	3.880	3.118
Mangalore	■	275	254	6.276	5.059	2.482	3.617	19,153	17,236	8.761	8.727
Cochin	■	165	163	4.149	3.585	0.458	0.469	94,862	89,003	4.644	4.203
Tuticorin	■	246	193	0.369	0.304	5.886	4.284	150,056	132,169	6.679	4.973
Chennai	■	279	284	3.763	3.686	1.552	1.619	396,029	379,140	5.714	5.630
Ennore	■	198	201	0.999	0.834	6.242	6.487	-	-	7.283	7.682
Vishakhapatnam	■	401	482	4.033	4.152	8.057	10.903	62,335	63,816	12.214	15.205
Paradip	■	426	376	5.214	5.018	14.316	13.198	-	-	19.540	18.235
Haldia	■	88	334	0.611	1.860	0.728	2.908	20,630	25,001	1.339	4.768
Kolkata	■	84	85	0.297	0.259	0.056	-	126,947	118,014	0.400	0.343
Gangavaram	■	42	69	-	-	2.931	5.446	-	-	2.931	5.446
Pipavav	■	201	106	0.010	0.018	1.863	1.540	192,818	202,874	1.873	1.560
Mundra	■	690	327	6.362	5.367	13.087	14.304	747,614	683,301	19.545	19.863
Dahej	■	149	159	4.926	5.397	2.943	3.680	-	-	7.878	9.099
Hazira	■	59	66	0.365	0.332	0.946	0.979	49,823	27,277	-	1.311
Navlakhi	■	44	30	-	-	2.277	-	-	-	2.277	-
Kakinada	■	57	106	0.369	0.292	0.161	1.449	-	-	0.576	2.068
<b>Total Vessel Calls at all ports</b>		<b>3,792</b>	<b>3,869</b>	<b>40.610</b>	<b>36.849</b>	<b>61.968</b>	<b>66.158</b>	<b>2,222,177</b>	<b>2,169,620</b>	<b>103.195</b>	<b>105.188</b>

■ Major Port ■ Non-Major Port

\* Total Cargo Includes Liquid Cargo , Bulk Cargo and Other Cargoes and Excludes Containers



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