

# AMTOI

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## NEWS

25

### SILVER JUBILEE YEAR

Celebrating Multimodalism  
and Family Business



ASSOCIATION OF MULTIMODAL TRANSPORT  
OPERATORS OF INDIA



# KHIMJI POONJA

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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

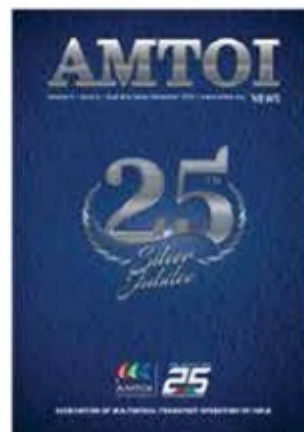
representatives on its extended board and is thus likened to an apex body. As a unique initiative, AMTOI has set up a forum called the Grievance Redressal Forum (GRF). The objective of this Forum is to create a platform for

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.





## Message From Mr. Rajiv Jalota

राजीव जलोटा भा.प्र.से.  
अध्यक्ष  
(समकक्ष सचिव, भारत सरकार)

**Rajiv Jalota** IAS (Ministry of Ports, Shipping and Waterways, Government of India)  
Chairperson  
(Rank of Secretary, GoI)

### मुंबई पोर्टन प्राधिकरण Mumbai Port Authority

(पतन, पोत परिवहन और जलमार्ग मंत्रालय, भारत सरकार)



#### MESSAGE

Multimodalism stands as a pivotal and strategic imperative driven by its capacity to elevate operational efficiency, streamline cargo handling processes, and fortify the economic competitiveness. Enhancing cargo and passenger movement through multimodal transportation is also a key thrust area of the Maritime India Vision 2030. Integration of various transportation modes minimizes delays, mitigates congestion, and enhances the overall fluidity of the supply chain, contributing to the efficient handling of diverse cargo types. Mumbai Port Authority, situated at the heart of India's commercial capital, recognizes the critical role of seamlessly integrating various transportation modes to create a well-coordinated and versatile logistics system.

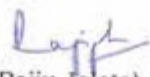
Being a key gateway for trade in the region, Mumbai Port benefits significantly from the optimization of cargo movement enabled by multimodal transport. Multimodalism, with thrust on coastal movement, not only reduce evacuation hassles, but also improve utilisation of waterways, which have a direct correlation to reduced emission and carbon footprint.

In future, the efficiency of multimodal transport will be underscored by the presence of advanced multi-modal terminals and logistics parks across the nation. These terminals will act as crucial interfaces where cargo will seamlessly transition between different modes of transport, allowing for the smooth transfer and intermediate storage of goods from ships to trucks or trains or pipelines.

I congratulate AMTOI on the occasion of its silver jubilee and commend its stellar role in implementing multi-modalism in India contribution in the last 25 years.

AMTOI's efforts in promotion of multimodalism will provide the freight forwarders and businesses flexible and reliable options, solidifying its role as a dynamic fourth party logistics service provider facilitating efficient and sustainable trade in the bustling economic landscape of Mumbai and the nation.

We at Mumbai Port look forward to AMTOI's continuous efforts in achieving its vision of a multimodal future.

  
(Rajiv Jalota)  
CHAIRPERSON

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## From The President's Desk

### Xerrxes Master

President, AMTOI  
president@amtoi.org

Dear AMTOIANS,

As we continue to celebrate theme of "Silver Jubilee and Family Business" in this edition, we touch upon the very ethos of AMTOI i.e. Multimodalism. Multimodalism, which involves the use of multiple modes of transportation (such as road, rail, air, and sea) to move goods from origin to destination, significantly impacts global logistics in various ways. Here's an exploration of its effects:

Given below are the core features of Multimodalism:

#### 1. Efficiency and Cost Reduction:

- **Optimized Routing:** Multimodal transport allows for the optimization of routes based on cost, speed, and reliability, leading to more efficient logistics operations.
- **Reduced Transportation Costs:** Combining different modes can lower costs by utilizing the most cost-effective method for each leg of the journey.

For example, sea transport is cheaper for long distances, while trucks are more efficient for short distances.

#### 2. Enhanced Connectivity:

- **Global Reach:** Multimodal transport connects remote regions to global trade networks. Ports, railways, and road networks link inland areas to international markets.
- **Improved Access:** Enhanced infrastructure, such as intermodal terminals and logistics hubs, facilitates seamless transfer of goods between different transportation modes.

#### 3. Environmental Benefits:

- **Reduced Carbon Footprint:** Shifting

from road to rail or sea transport can significantly lower greenhouse gas emissions, contributing to more sustainable logistics practices.

- **Energy Efficiency:** Rail and sea transport are generally more energy-efficient than road and air transport, leading to reduced fuel consumption.

#### 4. Increase Reliability and Predictability:

- **Redundancy and Flexibility:** Using multiple transport modes provides alternatives if one mode is disrupted, enhancing the reliability of supply chains.
- **Predictable Schedules:** Coordinated scheduling across different modes can improve the predictability of delivery times.

#### 5. Regulatory and Compliance Advantages:

- **Adherence to Regulations:** Multimodal systems can better comply with varying international regulations and customs requirements, reducing delays and legal issues.
- **Standardization:** The adoption of international standards for containers and documentation streamlines the process across borders.

#### 6. Technological Integration:

- **Advanced Tracking:** Technologies like GPS, IoT, and blockchain improve real-time tracking and transparency, allowing for better management of multimodal logistics.
- **Data Analytics:** Analysing data from various modes helps optimize routes, predict delays, and enhance decision-making processes.

#### 3. Challenges and Considerations:

- **Infrastructure Development:**

Significant investment in infrastructure, such as ports, railways, and intermodal terminals, is required to support multimodal transport.

- **Coordination Complexity:** Managing the interfaces between different transportation modes requires robust coordination and communication systems.
- **Initial Costs:** The initial setup costs for multimodal systems can be high, although they often lead to long-term savings and efficiencies.

#### Case Studies and Examples

- **European Union:** The EU's TEN-T (Trans-European Transport Network) policy aims to integrate road, rail, air, and sea transport networks, promoting efficient multimodal logistics.
- **China's Belt and Road Initiative:** This initiative seeks to create a vast network of trade routes, enhancing multimodal connectivity between Asia, Europe, and Africa.
- **North American Free Trade Agreement (NAFTA):** Enhanced cross-border logistics through multimodal transport, linking road and rail networks across the US, Canada, and Mexico.

Thus, Multimodalism in global logistics brings significant advantages in terms of efficiency, cost reduction, environmental benefits, and reliability. It requires substantial investment in infrastructure and technology, as well as effective coordination between different transportation modes. As global trade continues to expand, the importance of multimodal logistics will only increase, driving innovations and improvements in the supply chain industry.

Largely MTO's are family-owned

enterprises that engage in multimodal transportation, utilizing various modes of transport—such as road, rail, sea, and air—to provide comprehensive logistics solutions. These businesses often leverage their adaptability, personalized service, and deep industry knowledge to succeed in a competitive market. Here's an exploration of the characteristics, advantages, challenges, and examples of multimodal family businesses:

**Characteristics of Multimodal Family Businesses:**

- 1. Versatility and Adaptability:**
  - Family businesses in multimodal transportation are often more flexible and can quickly adapt to market changes compared to larger, more bureaucratic corporations.
  - They can offer tailor-made solutions to meet specific customer needs.
- 2. Strong Customer Relationships:**
  - Long-term relationships and a high level of trust with clients are common, stemming from personalized service and commitment to quality.
  - These businesses often have a customer-centric approach, focusing on reliability and service excellence.
- 3. Deep Industry Knowledge:**
  - Many family businesses have been in operation for several generations, accumulating extensive knowledge and expertise in the logistics and transportation sector.
  - This experience allows them to navigate complex logistical challenges effectively.
- 4. Long-Term Perspective:**
  - Family businesses typically prioritize long-term success and sustainability over short-term gains.
  - Investments in technology, infrastructure, and talent development are often made with future generations in mind.

**Advantages of Multimodal Family Businesses:**

- 1. Integrated Services:**
  - They can offer end-to-end logistics solutions by integrating different modes of transportation, providing seamless services from origin to destination.
  - This integration can lead to cost savings and increased efficiency for clients.
- 2. Quick Decision-Making:**
  - The decision-making process is often faster due to fewer hierarchical layers, allowing these businesses to respond promptly to market demands and opportunities.
  - This agility can be a significant competitive advantage.
- 3. Personalized Customer Service:**
  - Family businesses often provide a higher level of personalized service, with a focus on building and maintaining strong customer relationships.
  - They can adapt their services to meet the unique needs of each client.

**Challenges for Multimodal Family Businesses:**

- 1. Capital and Resource Constraints:**
  - Family businesses may face limitations in accessing capital for expansion or technological upgrades compared to larger corporations.
  - Balancing growth while maintaining family control can be challenging.
- 2. Succession Planning:**
  - Ensuring a smooth transition to the next generation can be complex, with potential conflicts arising from differing visions or interests among family members.
  - Effective succession planning is critical for long-term sustainability.
- 3. Competition:**
  - They must compete with larger

logistics companies that may have more extensive resources, networks, and technology.

- Maintaining competitiveness requires continuous innovation and efficiency improvements.

**Examples of Multimodal Family Businesses:**

- 1. Kuehne + Nagel:**
  - Founded in 1890 by August Kuehne and Friedrich Nagel, this family business has grown into one of the world's leading logistics providers, offering multimodal transport solutions.
- 2. DB Schenker:**
  - Originally established as a family business, it has evolved into a global logistics giant, providing integrated multimodal transportation services.
- 3. Gebrüder Weiss:**
  - One of the oldest family-owned transport and logistics companies, Gebrüder Weiss provides comprehensive multimodal logistics services across Europe, America, and Asia.

**Conclusion: -**

Multimodal family businesses play a vital role in the global logistics industry, offering flexible, integrated, and personalized transportation solutions. Their deep industry knowledge, customer-centric approach, and long-term perspective provide significant advantages. However, they also face challenges such as capital constraints and the need for effective succession planning. Successful multimodal family businesses continue to evolve and innovate, leveraging their unique strengths to compete in a dynamic market.

May our tribe increase!!

**Trivia**

**Port Cranes**

The enormous cranes used in container ports can lift containers weighing up to 100 tons. Their efficiency in unloading and loading ships contributes significantly to the speed of cargo handling in busy ports worldwide.



## From The Editor's Desk

### Shantanu Bhadkamkar

Immediate Past President &  
Executive Committee Member, AMTOI  
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Passing the Torch:  
A Multimodal Approach to Succession Planning in Logistics  
Family Businesses

AMTOI NEWS - June 2024  
Silver Jubilee Special Newsletter - 3

AMTOI Silver Jubilee:  
From Coast to Coast,  
AMTOI Celebrates 25 Years of Connecting the Dots,  
Shaping the Seamless Multimodal Networks

The goal of successful family business succession  
is not to make the next generation successful,  
but to prepare them for success.  
- John L. Ward

AMTOI stands as an exemplar in various facets. The organisation conducts annual elections for its Executive Committee, subsequently electing the President. Furthermore, the elected Executive Committee Appoints Subcommittees, Sectoral Councils, Empowerment Wings and Regional Chapters to Constitute the Managing Committee.

Each incumbent President has graciously and satisfactorily facilitated the transfer of responsibilities to their successor at the opportune moment. The incoming leadership injects fresh perspectives and revitalised vigour into the Presidency, fostering progress during each President's tenure.

In the logistics family business, a successful baton handover — akin to a seamless multimodal transport operation — requires meticulous planning, management abilities, communication skills and a collaborative approach. Successful family-run logistics companies, much like a well-oiled multimodal transport system, rely on a well-defined succession plan. This ensures a smooth handover of

the baton, guaranteeing the legacy continues to lead the industry forward.

#### **AMTOI News Focuses on Family Business Longevity: A Time for Strategic Handovers!**

Family-owned logistics businesses are the backbone of the Indian economy. Their rich heritage and deep understanding of the local landscape uniquely position them to drive innovation and growth.

#### **Unveiling the Virtues of Timely Succession:**

The previous AMTOI News editorial we discussed focused on the analogy of a "multimodal approach" for Family Businesses as a whole. Now, let's deepen our focus on the critical yet often overlooked aspect of family business succession:

#### **The Art Of The Timely Handover.**

This editorial highlights the importance of a smooth and well-planned handover for family business success by drawing parallels with a seamless multimodal

change. The AMTOI News editorial addresses the critical issue of **"Right Time Succession: Handing Over the Baton to the Next Generation."** This isn't just about tradition; a strategic and timely handover can unlock remarkable synergy within your business. Let's explore how a well-planned succession, combined with a multimodal transport approach, can propel your family business and the entire logistics industry forward. Intrigued by the challenges of succession planning? This editorial dives deeper than just attracting talent, even identifying a successor and a successful induction. It tackles the crucial question - when to hand over the baton to the next generation. Farther From Usurpation: This editorial focuses on a willing and collaborative handover, not forceful takeovers. Beyond a heartwarming analogy, a seamless generational transition mirrors the smooth operational synergy of a multimodal transport system. Buckle up, logistics family, as we explore the enigmas or open secrets of a successful handover:

**Challenges and Considerations:**  
1. Reasons for Delayed Handover: Fear

of losing control, uncertainty about the successor's readiness, or simply enjoying the power dynamics can lead to a delayed handover.

2. **Determining the Right Timing:** This requires a holistic view. Consider the founder's energy level, the successor's preparedness, and the company's overall health.
3. **The Handover Process:** Effective communication, transparent planning, and knowledge transfer are crucial for a smooth transition.

#### Post-Handover Dynamics:

4. **Successor's Role:** Explore various approaches, such as immediate assumption of total responsibility, a phased transition with co-leadership, or an advisory role for the founder.
5. **Common Pitfalls:** Lack of communication, unclear expectations, and an unprepared successor can lead to failure. Not learning from the real-world examples of successful and unsuccessful handovers for learning opportunities.
6. **Breaking the Mold:** There are enough inspiring cases that show how the successor surpassed the founder's achievements, challenging the "larger-than-life" image.

#### Making Informed Decisions:

7. **Indicators for Moving On:** Declining health, loss of passion, compromised interest, or a stagnant leadership style may signal the need for a change.
8. **Recognising Overdue Succession:** Declining performance, employee dissatisfaction, or missed opportunities could be signs of a delayed handover.

A well-timed leadership transition ensures the preservation of a prosperous family legacy and contributes to a more resilient logistics industry. This has less to do with tradition and legacy issues and more to do with unlocking the next chapter of your family business legacy.

#### Unlocking Potential Through Strategic Succession:

- **Multimodal Mastery:** A timely handover allows the integration of fresh perspectives with existing expertise. This can lead to a multimodal approach, maximising efficiency and cost savings across the supply chain.
- **Optimised Operations:** By preparing the next generation for leadership, businesses can ensure a smooth transition and mitigate potential disruptions, optimising operational effectiveness.
- **Industry-Wide Impact:** Successful handovers within family businesses breed confidence and stability in the sector. This fosters innovation and collaboration, propelling the entire logistics industry forward.

#### Exploring the Global Landscape of Succession:

- **Learn from the Best:** Delve into successful handover strategies employed by family businesses worldwide, providing a treasure trove of practical knowledge to guide your succession journey.
- **Do's and Don'ts of the Handover:** Here are some "don'ts" to complement the "do" of collaboratively developing a handover roadmap:
  - **Do:** Collaboratively develop a clear roadmap, outlining the essential steps for a successful handover, including communication strategies, knowledge transfer, and role definition.
  - **Don'ts:** The Following "don'ts" highlight potential pitfalls to avoid during the handover process.
    - **Don't Wing It:** Avoid an unplanned or rushed handover. Don't Keep the Successor in the Dark: Lack of communication and transparency can create confusion and distrust.
    - **Don't Micromanage:** Allow the successor to make decisions and learn from experience (within reason).
    - **Don't Overload the Successor:** Introduce new responsibilities gradually to prevent them from feeling overwhelmed.
    - **Don't Underestimate Training & Development:** Provide the

successor with the necessary skills and knowledge through training and mentorship programs.

- **Don't Hang On to Power:** A clean break allows the successor to embrace their new role fully.
  - **Don't Disregard Established Systems:** While there may be room for improvement, maintain core processes for smooth operation.
  - **Don't Neglect Communication with Other Stakeholders:** Keep employees, partners, and customers informed about the transition.
  - **Don't Underestimate Emotional Impact:** Succession can be emotional for both generations. Be prepared to offer support and guidance.
- **Identifying Common Pitfalls:** Recognise and avoid common mistakes that derail the succession process. Learn from real-world examples to ensure a smooth transition for your company

#### The Importance of Timing:

- **Consequences of Delayed Handover:** A stagnant leadership can lead to missed opportunities and hinder growth.
- **Excessive Handover Speed:** Handing over the reins too early can create confusion and instability. We'll define the right timing for your transition and explore exceptional circumstances requiring an expedited handover.

#### Synonyms and phrases for "handing over the baton":

- Succession planning
- Generational transition
- Passing the torch
- Leadership handover
- Reins transfer
- Stewardship transition

The AMTOI Leadership Team's vast experience and commitment to fostering collaboration within the logistics family make it a valuable resource for members navigating the complexities of succession planning. Through workshops, knowledge sharing, and connecting members

with experts, AMTOI empowers its members to deal with their family business with a winning hand, ensuring a prosperous future for generations to come. With experts, AMTOI empowers its members to deal with their family business with a winning hand, ensuring a prosperous future for generations to come.

**AMTOI Family Business Council:** Empowering the Logistics Family The AMTOI Family Business Council plays a crucial role in facilitating AMTOI's initiatives to raise awareness and empower its family-owned member businesses. Here's a breakdown of their specific contributions:

**Objective:**

The AMTOI Family Business Council is a dedicated committee within the association specifically focused on supporting and empowering family-owned businesses in the logistics sector. They serve as a knowledge hub and resource centre for members navigating unique challenges and opportunities for family businesses.

**Functionalities:**

- **Curating Educational Programs:** The council actively invites eminent faculty and industry experts to conduct webinars and seminars in various locations in India, ensuring accessibility for members across the country.
- **Raising Awareness and Sensitisation:** The council's programs are designed to raise awareness about best practices in family business management, succession planning, conflict resolution, and fostering a

professional environment within the family structure. This helps members overcome potential challenges and leverage the strengths of their family-oriented business model.

- **Knowledge Sharing Platform:** The council can facilitate knowledge sharing among members through conferences, workshops, and online forums. This allows members to learn from each other's experiences and successful strategies.
- **Future Plans:**
- **Advocacy and Representation:** The council can advocate for policies that benefit family businesses within the logistics sector. This could include lobbying for tax breaks or inheritance planning support.

**Benefits for AMTOI Members:**

By actively participating in AMTOI Family Business Council initiatives, members gain access to valuable resources and expertise, including:

- **Practical guidance** on navigating complex family business issues.
- **Networking opportunities** With other family business owners in the logistics sector.
- **Exposure to best practices** in areas like succession planning, conflict resolution, and professionalisation.
- **It is a platform** to share their experiences and contribute to the collective knowledge base.
- **Above all, Build Camaraderie** with industry colleagues with family business backgrounds.

**AMTOI: Your Partner in Succession Success**

AMTOI stands alongside its members throughout their journey. In addition to the insightful articles

and interviews within this editorial, AMTOI offers a range of resources, Training Sessions and support programs specifically designed to guide family businesses through the complexities of succession planning. Join the Conversation: This AMTOI News edition is a call to action! Share your experiences, challenges, and triumphs related to succession planning. Contact us to participate, share your experience, and share the responsibilities of your association. Let's create a supportive community for family businesses navigating this critical phase. Highlights of this issue: This issue of our publication is replete with insightful interviews of eminent personalities from the industry and government thanks to the valuable contributions of our long-standing supporters from the professional arena. 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.

**Trivia**

## Intermodal Transportation

Efficient logistics often involve intermodal transportation, where goods seamlessly switch between different modes of transport. This can include a combination of trucks, trains, ships, and even planes to optimize the delivery process.

# How to make a transition from a Family Business to a Professional Organization



## Prashant Popat

AMTOI WRC Co-Convenor  
Managing Director Velji Dosabhai Pvt Ltd

Family Business often scales up in their initial years as the focus is quite narrow. It has a narrow product range, smaller geographies, fewer customers and a small team to manage.

The Business owner is directly in charge of the business and hence decision making is quite sharp and quick.

At some point, it becomes beyond the Business Owner's span of control and soon reaches a stagnancy in growth. They are unable to scale up despite more effort. It becomes difficult for her to reach out to every roadblock in the company which is hampering growth.

A lot of their time is spent in "Working-in" the business to manage day to day operations and firefighting. This often comes at the expense of her time of "Working-On" the business for long term sustainability. The introduction of the next generation in the business only adds to the complexity.

Thus the need to Professionalize arise. Here are some important aspects of understanding what exactly is a Professional and how does one go about professionalizing the business. The key areas covered here are:

- What is Professional Management?
- What are the key benefits of a Professional business?
- When to professionalize your business?
- How to Professionalize?
- What are the key aspects to keep in mind?
- What are the challenges most companies face while making the transition?

### Steps taken by us to implement Professional management in VDSPL...

As management, we made experienced approach in administering the business operations at VDSPL and identified best people for senior management positions and the lower management position within the organization who had professional approach and mindset. This gave us administrative & technical skills along with good amount of experience in managing business operations

The organizations which have multiple products and branches across India and overseas, requires professional management. That is the reason most of the family business which is run by multiple generations are getting into professional management.

### What are the Key Benefits of a Professional Business?

There are several benefits to the professionalisation of your family business and this phase can be seen as a positive reflection of the fact that the business has grown to have sufficient complexity to require professionalising.

One of the key benefits is that, although it may take some time initially, you are likely to save time by being able to effectively delegate within the business. If the business has grown to size that means that the founder or founders are unable to perform everything that is needed within the business, bringing in external expertise can free them up to do what they really want to be doing.

One key benefit is that it helps to position the business well for continuity

and if you were ever looking to sell the business, processes and structure are a key part of the due diligence of any potential buyer.

If you aren't looking to sell and would prefer to pass the business on to future generations, something that will smooth that process is understanding what is being passed on, whilst at the same time identifying any gaps that need to be filled is the documentation of job roles, the processes and systems that can often exist in a founder's mind but not on paper.

### When to Professionalize?

For smaller family businesses, managed by their owners and relatives, informal policies and processes are often quite adequate to accomplish their objectives. They take pride in their informal way of operating, as they think that it brings success for the organization.

As the business grows in size and complexity and the competition increases, the system dependent on a single person creates extensive risk, for the owner and the business. Thus more formal governance and management practices are required to ensure smooth operations. In that context, therefore, professionalizing the family business usually means moving from the entrepreneurial management style of founder-owner managed businesses to the more formal structures, processes, and practices of larger businesses that are managed by professional managers

### How to Professionalize?

The Process of transition starts from

the Business Owner who must move himself into being a professional. Being professional is not about seeking formal education in an MBA college. So, then let us First understand what does being professional actually mean?

- An individual with high internal standards of performance and ethics, which they strive to achieve.
- They act in the best interests of their company and other stakeholders, like customers and owners, and are not unduly influenced by their own personal needs or goals.

Professionalism doesn't have anything to do with family or non-family categories; it has to do with one's attitudes and behaviors. Family member-employee of the family business can be a professional manager

This is the decision the Business Owner needs to make. A shift in the Leadership mindset is needed in order to transform your company to a different way of managing.

A company is regarded as professional when it has these same high levels of performance and ethics. They achieve these standards by

- Building cultures that emphasize performance while adhering to core values of the company
- Treat people like adults
- Are constantly learning
- Strive for fairness and consistency in rewards.

**Professional business cultures are nurtured through -**

1. The efforts of the leaders to decentralize most functions by

empowering the line managers to make decisions. They hand over the business to a professional management team.

2. Through "formal" processes like setting clear goals and rules, appraising employee performance and ethics, and hiring and promoting based on the ability to contribute.

The professional management team or hired professional manager for different functions, needs to understand the vision, mission, beliefs and culture of the organization. The basic work routines, value system, short term and long-term goals of the organization and expectations of customers, vendors and other business relationships need to be reassessed.

Because of these complications, the professionalization process is consummated over an extended period.

**Why do most companies fail to make this transition despite wanting to professionalize?**

While every business owner loves to professionalize most of them

- Lack of mindset of investing in the right avenues required to professionalize
- A business may have to increase compensation to attract new employees or
- Invest in new technology or
- Introduce planning, control and performance management systems.

But money usually isn't the biggest obstacle to professionalizing a family company.

- The biggest obstacle is when powerful people in the family business system-who can inhibit these changes-feel their power and status are threatened or feel disrespected by these changes.
- They are more interested in transactions of business which gives tangible results in short term than working on long term initiatives for sustenance of the business.
- They lack trust in hiring people who can lead the functions which once upon a time they were leading.

**With keeping all this factors in practice to get the required professionalism in a family business, we at VDSPL, ensure that we keep the following key-points as part of our process and execution always...**

1. Guard your core values like a hawk.
2. Strengthen family discipline and commitment toward the business
3. Respect the management hierarchy and empower employees to make decisions
  - Working in and working on mode for decision making
  - Short term gains and long-term sustainability road in mind
  - Decision processes and tie-breaking mechanisms that foster decisiveness.
  - Make timely decisions about capital expenditures, organization changes, hiring key managers or its strategy
4. Ensure that the organization can always make timely big decisions
5. Create systems to ensure consistently high performance and fairness
6. Attract, develop and retain great family and non-family talent.

## Trivia

# Container Revolution

Did you know that the standardized shipping container, introduced in the 1950s, revolutionized the logistics industry? This simple metal box drastically improved efficiency by allowing goods to be easily transferred between ships, trains, and trucks, streamlining the global supply chain.

# NVOCC Business - A sea of opportunities



**An Interview by Mr. Ramprasad with the Directors of Navio Shipping - Sudheer K Nair, Ajay Thampy, Biju Sivakumar, Sunil KB, and Arun Kumar**

Around 15 years ago there were about 30 prominent players in the NVOCC market, and this number has now grown to 667, mostly covering Middle East, Indian Sub-continent, and Southeast Asia region. This segment has witnessed tremendous growth along with volumes, informs **Navio Shipping**.

**The current geopolitical scenario is impacting trade in terms of freight rates, disruptions, and security. Freight rates were actually very low at one point in time, but with Red Sea crisis the rates have started spiking up. The delivery schedules are disturbed as well. How are these things impacting the NVOCC operators?**

NVOCC is more of a short haul trade lane and so it has been more negatively impacted. We had this experience recently for our shipments Gulf, an area predominantly operated by NVOCC players. The ships were deployed into the Red Sea routes to fill the gap, because of which we experienced shortage of space, vessel operations were disrupted and this along with the recent situation in Dubai with regard to the Monsoon, had impacted with a lot of congestion, increasing our cost of operation. We had critical and perishable goods lying into Jebel Ali for more than a month, so this kind of a situation has had an adverse impact on NVOCC operators.

The surcharges levied by shipping lines and increase in freight rates due to Red Sea crisis have impacted the prices of all the commodities. In general, as NVOCC operator, we mostly pay the difference in the amount what any carrier charges

to the carrier itself. For example, we have loaded a feeder vessel by purchasing slots on them, the moment they implement GRI, we pay the whole amount to the vessel operator. So, as an NVOCC we do not gain much on these surcharges or issues.

Even during the COVID times, while the entire world made a lot of money, we ended up paying a huge chunk to the feeder operators and ports in the form of additional storage charges.

**In the shipping sector disruptions keep happening and its cyclical in nature. But recently many Black Swan events are happening, so the predictability has become a challenge. Do these events have a long-term impact on your contracts or agreements?**

Let me give you an example, we have a contract with a CFS where we are supposed to give 300,000 container movements in a year which is almost 600,000 teus. In the month of February or March, when ships were not coming, and schedules were reduced with the number of vessels becoming less, we could not reach the targets. Our first-year contract is getting over by June end. Though we have completed and wanted to do more this has got effected due to port congestion and vessel berthing delays. So, it has affected the normal movement of vessels.

If a shipment was going to Red Sea via Jeddah with a transit of 18 to 20 days, it is now taking more than 3 months to reach. There are a lot of order cancellations and consignees are not placing new orders and shippers have lost a lot of customers as well.

**Looking at the past five years, how has been the NVOCC business?**

Has it been growing? In the year 2007, we started our NVOCC business. During those days we had about 25-30 prominent players in the NVOCC market. As of today, there are 667 NVOCC players in this region — Middle East, Indian Sub-continent, and Southeast Asia. As per our observation, 600 NVOCCs might be making money. So, the growth is tremendous, mostly Indian, and Pakistani entrepreneurs have entered this segment, they started with 200-300 containers and have gradually grown up. Compared to 2010 or 2015, this sector has witnessed tremendous growth, volumes have also increased along with new trail lines as well. In 2010, our operations were limited to only Middle East (Gulf, Dubai, etc), but now we have expanded to Red Sea, Africa, Vietnam, and Cambodia. Along with NVOCC operations, feeder operations have also developed.

In future, we expect some of the prominent NVOCCs to enter into vessel operations, may be through joint ventures, which will be the next level of growth. Currently, we are facing space shortage. Shipping lines charge exorbitant slot rates and ask us to load. If we have own vessels, we can save a lot on cost and operate very smoothly.

**What is driving this growth?**

Earlier, there was this single owner concept in NVOCCs, there were no partners. Today, whoever is successful has 3 to 4 partners. In certain cases, even the employees of a NVOCC company came together and turned entrepreneurs. There are a lot of interested investors in this segment,

who can help in procuring containers. For instance, Navio, has its own offices in Malaysia, Singapore, Dubai, and India. Agency business also contributes to the profits along with principal business. This causes huge competition and price war.

With agency houses growing, the exposure is limited. Whenever there is a challenge about leakage of profits, it is more on the principal account. The principal business adjusts the losses because there are also times when they mint money, but in any situation the agency need not loose on the operational grounds. The entrepreneur concept is thus.

### Challenges faced by NVOCC operators?

Post-COVID there have been large deployments of the main line operators. They even had small vessels plying on long haul. Since large deployments were happening, they were also exploring market opportunities. For example, Hapag Lloyd or CMA CGM, did not have a significant presence in India or Middle East, which is a high traffic region. Earlier, we used to get one or two

ad hoc calls of the mainlines, but now the frequency has increased. As an NVOCC operator we must ensure that on each move our costs are taken care. If a mainline calls in and causes dip in the rates it could impact the revenues of the NVOCC operator.

Feeder operators earlier had loyalty to NVOCCs and there was a sort of understanding, but now feeder operators are coming as competition to NVOCC operators. Feeder operators are owing terminals, then they are gradually extending to offer first-mile and last-mile operations, offering value added services which is again eating into the share of NVOCCs.

### Tell us about Navio shipping? How has been the journey so far, what are your expansion plans and What is Navio 2.0?

We started almost 10 years back in April 2014 with a vision to survive in this market. But once we started, we came to know our market acceptability and the value we had, people started supporting us. At that time, we never thought we would have an NVOCC agency. We could easily establish the NVOCC business because of

the reputation we had built over the years. Ten years down the lane we became market leaders in Dubai with number one position. In India we are in sixth position and in Malaysia we are in 3rd position. After 10 years now we are competing with startups, as the competition is growing.

We operate an agency business, representing other principal businesses. We have a fleet of 9000 teus boxes and we also do freight forwarding. We are looking to be a Rs.5000 Cr company by 2026-27. When we started Navio in 2014 we were not coming from a business background or having a family business, we were just shipping professionals, but having a limited knowledge on the way forward we discussed with consultants on future growth plans, taking Navio to the next level. We have set a five-year plan and named it "Mission Lakshya." This is when we planned to achieve Rs.1500Cr on a five-year basis — in 2025, growing every year on a 38% CAGR. Thankfully, with the business opportunities that came in we could achieve that goal in 2022 itself and we have extended our target to achieve 1800Cr. Our next level is to achieve



## Project Cargo Logistics - A different ball game

An interview by Mr. Ramprasad with  
Mr. Nailesh Gandhi and Mr. Keyur Gandhi,  
Directors of Express Global  
Logistics Group.



As the contract times are shrinking and project sizes are becoming bigger, more project cargo is bound to move through multimodal mode in the future, shares Nailesh Gandhi, Director, **Express Global Logistics**.



**Which are the projects coming up in India and what are the critical project cargo you are looking forward to move?**

India is basically focusing on exports and if you really want to have a 50% jump in manufacturing, there is no option but to increase the manufacturing capacity which requires infrastructure that includes roads and ports. We also want to become the world's largest refining hub. So, we need to have the required refining capacity. Again, the Indian government does not want to be dependent on fertilizer imports. In the oil & gas refining and fertilizer sectors there is huge volume of cargo moving. These industries require huge reactors, boilers and heat exchangers which can be 50 – 70 meters in length and weigh about 1,000 tonnes a piece. To build bridges and tunnels, tunnel boring machines will be required. For example, in the construction of the Atal Bihari Vajpayee Trans Harbour Link, each piece weighs about 2,700 to 3,000 tonnes, the complete block is 170 meters long, it

was fabricated and delivered onto a barge. The project is a testament to India's capability in moving such cargo.

When the government is focused on shrinking the project time, it means there is no scope for onsite fabrication. Everything must be fabricated and delivered simultaneously, which means the bigger the piece, lesser the fabrication onsite. Therefore, the size of packages that need to be delivered onsite gets bigger and bigger. This is the scenario of the domestic market alone; the export market is equally important. So, oil & gas, fertilizer, road & bridges, and railways, these are the four sectors which will grow exponentially.

**Considering the pace of highways and bridges being constructed there must be huge volumes of project cargo being moved. What are the challenges you face in the process and how does EXG plan for such projects?**

One must make a deep dive during the bidding of the project including a detailed examination of the probable challenges we will face at the time of delivery of the cargo. The delivery will be anywhere between 6-24 months after we bid. We must conduct a route survey, which a civil engineer will perform, to make sure every bridge we need to cross while delivering the cargo can handle the weight. Then, certain assumptions must be made of the likely overheads that will be incurred over time, considering the height of the cargo we are about to move and what the solutions should be. If a Plan-B is required, which may even add another 200km to the route, a route survey must be conducted for this diversion as well. Having done all these

calculations and after the contract is awarded, we must immediately do a route survey, which is repeated just before the cargo is to be delivered.

This is because if we rely on a route survey that had been done some months earlier, then there is every chance that we will be stuck somewhere midway. The speed with which infrastructure is being developed in India, you will always find a new bridge or overhead structure coming up which will hamper the speed of your transportation. So, constant monitoring of the scenario on the ground is necessary for every project undertaken. We also need to have the right talent pool in place. Such projects cannot be taken up without a civil engineer.



**In India, while bidding for a project, the lowest bidder is awarded the project, how do you ensure to bag the project, while not compromising on quality?**

There is no room for taking shortcuts or risking the cargo and safety is always our top-most priority. We must look at what solutions we can provide to deliver the cargo based on which we need to arrive at a competitive price. In depth experience is required to identify the obstacles and the solutions for each. For example, if we need to pass by a hospital for delivering the cargo and we have overhead high-power cables to

cross, then we cannot plan a shutdown, because hospitals need to have full power supply all the time. Such criticalities need to be considered while determining the project cost. It is particularly important we cover all the cost heads and eliminate the contingencies.

**You had mentioned about export logistics as well. Can you give some insights into it as well?**

India is supplying huge reactors and modules for the global market and catering to large hydrocarbon projects for the Gulf mainly, for which the modules manufactured are humongous, weighing 1,500 to 2,000 tonnes, with height and width of 30 to 40 metres. These packages are manufactured near the port, but still need to be delivered onto the vessel. Such kind of packages need a completely different level of engineering and logistics planning. Global engineering firms are setting up sourcing units in India and knowledge outsourcing is also being done in India.

cargo across difficult terrains such as mountains and valleys, because we have the assets for delivering such heavy packages even across places where mobility and manoeuvrability are restricted / challenging. Right now, we are delivering for a project in Bhutan. We can deliver cargo with minimum damage to the environment. Bangladesh is a very tough and complicated market as there are a lot of water bodies, so multiple multimodal operations are required for delivering the cargo. Also, availability of skilled manpower is low. We are actively involved in oil & gas, railways, and power projects in Bangladesh. Power substations and telecom stations are being developed in Nepal and Bhutan, so we manage these projects as well.

**In India how is your experience in using multimodal logistics for moving project cargo?**

In India inland waterways are being used for delivering heavy packages. For example, we have delivered cargo from Pune to Mumbai and further

are also delivering a huge cargo from Mumbai by barge to Dahej. We will roll it out, then the client will do some assembling work on it, then it will be reloaded on the barge. The cargo weighs up to eight hundred tonnes. The second barge takes it to the high seas and using our own alternate lifting equipment we will erect those pieces at Dahej.

As the contract times are shrinking and project sizes are becoming bigger, more cargo is bound to move through multimodal mode in the future. We have barges, SPMTs, hydraulic equipment, gantries, and cranes, along with technology and people. This covers the complete solution to deliver any type of cargo anywhere. In the past 10 years, we have heavily invested in high value assets, with a view to be future ready and serve our customers optimally.

**What are the lessons learnt through these years of project handling?**

If we are uncertain on managing any project, it is better to say "NO" to the client honestly. Do not risk the cargo and your goodwill. You need to deep dive into the project, list out all the probable challenges while moving the cargo and have solutions ready for them. Have all your approvals, compliances, and certifications ready and the most important thing is getting qualified people. I cannot over stress the importance of having an effective team. It is a common fallacy that in our supply chain and logistics industry, people do not need to be treated well, that we are in a 'tough' business, where people will only respond to rude and aggressive behaviour. One thing we have learnt across our almost eight decades' experience is that our best and biggest investment needs to be in our people. We must treat people as we expect to be treated and while we will always demand value for our Company, we have zero tolerance for disrespect. This is an important aspect of the Express brand on which we will never compromise.



**Tell us about the presence of EXG in Nepal and Bangladesh?**

EXG is specialised in delivering

to Thiruvananthapuram, where it is impossible to deliver cargo by road. Similarly, in Assam we use waterways for delivering heavy packages. We

## What is the next level for EXG?

Our experience with project cargo dates to the early 1950s. Recently we formed a JV and acquired the India Subcontinent business along with the assets, people, and expertise from a globally renowned engineering logistics firm. Over the last few years, we have acquired a large fleet of assets to service super-heavy and super-complex logistics. Being an integrated project logistics company and servicing customers from factory

to foundation, we expanded our service portfolio by adding assets such as SPMTs and added a new vertical of alternate lifting. This has given us an edge to manage difficult and different projects.

## How can small companies think large in the project logistics business? How can new entrants be successful in this business?

For anybody who wants to get into this business, ownership of assets has

a noticeably crucial role, because you can then have greater control on your operations. The team should have an extraordinarily strong mind set of focusing on details. General cargo is a different ballgame, because an error can cost you a small amount, but in project cargo an error can be very costly for both the forwarder and the shipper. To conclude, I believe three things are critical—the assets, the team and the right mind set.

Express Global Logistics (EXG) team successfully transported 30 Orthotropic Steel Decks (OSD) for the Mumbai Trans Harbour Link (MTHL) Project. MTHL is the longest over the sea bridge in India connecting Mumbai to Navi Mumbai near Nhava Sheva.

EXG moved the heaviest OSD among the 30, weighing an incredible 2652 MT. This possibly is the longest cargo to move on land in India.

The steel deck was moved to the Heavy Civil Infrastructure IC site in Sewri, Mumbai. Moving cargo this large within the stipulated deadlines, required meticulous planning by our engineering team mapping the entire route / path to the inch.

**The OSD measured L 180 m x W 15 m x H 7.5 m. The cargo was transported on:**

Front Convey (60 axles)	Rear Convey (46 axles)
16 axle x 3 line (48 axles)	12 axle x 3 line (36 axles)
12 axle x 1 line (12 axles)	10 axle x 1 line (10 axles)
4 Power Pack Units (PPU)	

The team's hard work and relentless planning to organise and prepare at the site before the movement took place, allowed for a smooth execution of the project.

The team ensured the highest safety standards. EXG kept the pace and completed the challenging OSD transport and is proud to be part of the prestigious MTHL movement and Roll on in Mumbai

## Trivia

# Pirates of the 21st Century

While piracy might seem like a relic of the past, it's still a concern in the shipping industry. Modern pirates often target vulnerable vessels in certain regions, highlighting the ongoing need for maritime security measures.

### Family Business



#### Interview with Shashi Tanna, Director of Links Cargo Agencies Pvt Ltd, by Mr. Sandesh Mestry

In our ongoing series of interviews with successful family business entrepreneurs from AMTOI members, Mr. Sandesh Mestry (SM), a Family Business Consultant and Mentor, spoke with Mr. Shashi Tanna (ST) of Links. Here are edited excerpts of the discussion.

*This interview has been edited to ensure clarity, conciseness, and coherence. Certain sections may have been rephrased or removed to improve readability while maintaining the integrity of the interviewees' responses.*

**SM:** Good morning, Mr. Tanna. In its silver jubilee year, AMTOI decided to cover prominent family business members. We covered Mr. Afzal Malbarwala earlier in this series, and now we're moving on to you. As a special feature, we would like to cover your family's success story. Links is a successful multi-generational family business. So, first and foremost, how did your journey begin? I believe Links was founded in 1984.

**ST:** Yes, I worked for a clearing and forwarding company and learned the fundamentals of clearing and forwarding. Later, in 1984, I decided to start my own clearing and forwarding business. It was a huge risk, but I decided to go for it. It was

1984, and there was no phone, telex, or fax, and email hadn't yet been introduced. We began in a small 150 sq. Ft. office near the Bombay Stock Exchange with one telephone line. As you would know there were no mobiles back then and it took us almost a year to get our first telex line (fax machines came in much later). The first three months were exceedingly difficult as we did not have a single customer on board. Then one of my close friends who owns a very large bicycle company in Ludhiana extended his support with his export shipments and that is how Links virtually started. My wife Mrunal and me were thrilled at this humble beginning.

**SM:** At that time, where were cycles exported?

**ST:** Mainly bicycles were exported to East-African countries as that was the single largest market for two wheelers at that time. One of the major challenges we faced was that we did not have our own CHA (Custom House Agent) we were fortunate enough that one of our friends assisted us with this and we were able to file documents with customs.

**SM:** Was there a specific

reason why you decided to enter the air cargo business?

**ST:** On the Ocean Freight side we had support from some very dear friends who were agents for shipping lines, and I must thank them for their timely support in terms of giving us space on their vessels which at that time was very difficult due to supply/capacity imbalance in the marketplace. They even extended their support in terms of offering us some credit on our freight payments. With the ocean freight side fairly stable and in place, we decided to venture into the air freight side of the business. My brother Keshav started handling the air freight inquiries from our customers. This required us to diversify into air freight, which is when Keshav moved to a small office in Andheri from where we applied for our IATA certification which we received in the year 1992

**SM:** Where did the next phase of growth come from?

**ST:** We joined hands with the Jhaveri family (Ramesh Bhai and his son Dharmesh) and our air freight vertical was a full-blown business unit by 1996. In terms of growth, since our main trust was on exports and with

### Trivia

## Silk Road Origins

The historic Silk Road, a network of trade routes connecting the East and West, facilitated the exchange of goods, culture, and ideas. It played a crucial role in the development of civilizations from around 114 BCE until the 14th century.

India becoming an aggressive export Country, both our ocean freight and air freight verticals grew with rapid pace. We did try our hand at perishable exports and were quite successful in that segment for some time, but that glory was short lived as we began hearing that many air freight forwarders colleagues were faced with payment delays and bad debts. We immediately put a stop to that business and concentrated more on our core strength of exports in automotive, bicycles and spare parts, textiles dyes and chemicals sectors. We also specialized in handling DG Cargo (Dangerous Goods) which required specific knowledge and certification.

**SM: So, the major collection headache did not exist at that time?**

ST: As you would know credit is an extremely sensitive issue in our line of work and it was one of our most challenging problems to deal with in order to sustain customers. Since we had decided from day one that we would remain a debt-free company our growth perhaps was a bit compromised, but we did not have any sleepless nights as most of our customers paid us more or less within the credit periods.

**SM: One of the challenges in family businesses is inducting the next generation, as they bring a different understanding and exposure. How did you manage that?**

ST: As far as the next generation goes, we are fortunate that our next gen decided to join the business and now are fully active in the office. Of course, their mind sets on certain

issues are different from ours, however that is something which all family businesses must deal with. Fortunately, we have a good set of kids who are willing to work under our guidance and take the company ahead.

**SM: Are the roles clear?**

ST: Yes, most definitely, we have ensured that their operations roles are clearly defined. This is the first place where there could be differences in opinions and hence, we have clearly separated them in terms of their job portfolios.

**SM: Overall, do you use fixed reviews among the family members to track your progress towards your goals? Is there a formalized process?**

ST: As mentioned, we have clearly defined the verticals in terms of Air freight and Ocean freight with defined accountability. Both these verticals in itself compete with each other in terms of profitability. This helps in driving our next generation not only to compete with the market externally, but also compete with each other internally. Of course, there are situations where minds don't match but everybody looks at the bigger picture of a single company and moves ahead, mutually.

**SM: One of the most important aspects I've taken away from our conversation is that you all have open lines of communication, which has been extremely beneficial to you.**

ST: While the senior three Directors do sit in their own cabins the next generation sit in the open area

for better interaction with their colleagues. That said our cabin doors always remain open for anyone to come in with their problems.

**SM: In your fraternity, people succumb to customer demands, believing that the only way to retain customers is to extend credit. There is always a fear of losing customers. How do you keep your customers while avoiding their unreasonable demands?**

ST: Absolutely, we too have challenges as customers ask us for extended credits and we have to politely refuse. At the end of the day, however our experience was, that just as we want to flourish in our logistics industry so do our customers and majority of them have stayed with us respecting the fact that good service comes at a reasonable price.

**SM: Who instituted this financial prudence that we must maintain?**

ST: From day one since Keshav and me had no capital to begin with, we self-taught ourselves that we will have to fund our business very prudently. As I mentioned earlier, we also had the support of some loyal customers who believed in us and that is how we were able to come this far.

**SM: Didn't the next generation express a desire to grow faster and with more ambition?**

ST: Absolutely, the next generation as you can imagine has much larger vision (and rightly so) as the business model since the time we started until now has changed 360 degrees. Earlier

## 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.

they invest in the "cloud" (If you know what I mean).

**SM: I believe that financial prudence is the key to your success.**

ST: Yes, as mentioned we have remained a debt free company for the last 40 years nearly which has worked for us, but one never knows going ahead what the next generation has in mind and no one knows what is in store for us tomorrow - time will tell.

**SM: Have there been any challenging situations in the last 40 years?**

We have had many challenges in the last 40 years as ours is not an easy Country to do business in. Our major challenges, besides what I mentioned above, have been in dealing with statutory authorities. Most of our business is regulated by one authority or the other and dealing with them has been one of our major challenges. With online transparency is now coming in, we hope this would now become a little smoother in terms of "ease of doing business".

**SM: You started with three founders, and now you have seven family members who are managing. The organization has also spread across multiple locations. Will the next generation take over? Is there a plan for that?**

ST: Yes, we are preparing the next generation to take charge of the business as going ahead in some of point we will have to retire. Keshav and I have actually attended seminars on family businesses regarding

handover/takeover. We were shocked to hear that in many instances the willingness to handover has been more difficult than the willingness to takeover. Bearing this in mind we have a firm plan in place as regards a smooth handover, when the time is right.

**SM: If we were to sum up the success factors for Links, what would they be?**

ST: I think the main success is our discipline and our desire to succeed (as there really was no option). Our success also comes from being "hands on" for better part of our beginning and lastly also due to the support we received from our customers, our shipping line friends, our airline friends as well our own business colleagues from whom we gained a lot of knowledge.

**SM: Another challenge the company faces is retention. How do you deal with it?**

ST: Ours is a "people's business"; we sell our services and hence having good people is the key to run a successful logistics organization. While we are fortunate that we have been blessed with good people in our organization, retention is always a challenge as you would understand. People are always looking for better opportunities and rightly so, hence handling this situation is now not a challenge in as much as it is a routine we must deal with and continue dealing with going ahead.

**SM: Do you believe the owner's personal involvement and drive are important in your line of business?**

ST: Absolutely, in a family business this is critical as everything comes top down. Our personal involvement has been since day one and we believe that this sets the tone, tenor and culture of every successful family organization.

**SM: How important do you believe it is for family members to bond?**

ST: This is imperative and all of us has watched enough IPL cricket matches to know that if you want to win "on the field" mental bonding in the changing rooms is exceedingly important. Family breakfasts and dinners are a common phenomenon in our personal family life as we strongly believe that many a sticky situation can be solved off the field.

**SM: Do you have any last words of advice for the fraternity?**

ST: It is in common saying that "customer is king". That sounds very simple, but to actually believe in it is exceedingly difficult, particularly since customers are dynamic and have ever changing demands. We simply must deal with this in order to survive. My last piece of advice would be never forget your friends who have helped you in your difficult times — keep them close.

**SM: Thank you, Mr. Tanna, for your insightful and candid discussion. I am confident that the entire fraternity will find many takeaways from this, which will help them build a sustainable family business in the future.**

## Trivia

### Icebreaking Container Ships

In the Arctic, icebreaking container ships are used to navigate through frozen waters, opening up new possibilities for shipping routes. This reflects the impact of climate change on global logistics strategies.

# Is Institutionalising the answer to Succession Planning!



## Priya Anil Thomas

Northern Region Convenor - AMTOI

Cofounder & Managing Director, Thomas Global Logistics Private Limited

Every entrepreneur, upon deciding to launch their business, harbours the ultimate ambition of crafting a vast conglomerate akin to the stature of TATA's or Birla's. While every journey commences with tentative steps towards building a dream enterprise, only a minority achieve such lofty heights within their lifetime. Indeed, many entrepreneurs find themselves ensnared in the mundane routine of their own creation, unwittingly becoming indentured to their ventures.

Invariably, entrepreneurs must navigate four main pillars:

- Marketing and Strategy
- Operations and Customer Service
- Finance and Compliance
- People Management

Can an entrepreneur truly master all these pillars? The answer is often no. When an individual transitions from being a dreamer to an entrepreneur, the primary impulse is to break free from rigid systems and become their own boss. While they may excel in marketing or operations, it is uncommon for them to possess the expertise necessary to proficiently handle all four pillars.

Indeed, part of the entrepreneur's vision entails the perpetuation and expansion of their business through successive generations, thereby fostering a legacy that transcends their own lifetime. However, this aspiration often confronts a poignant dilemma when children, who are expected to inherit and carry forward the entrepreneurial mantle, display a lack of interest or inclination towards the family business.

This scenario can be disheartening for the entrepreneur, who may have

invested considerable time, effort, and resources into nurturing their enterprise with the fervent hope of passing it down to their progeny. The prospect of their children not sharing the same passion or commitment to the business can evoke feelings of disappointment, uncertainty, and even apprehension about the future viability of the enterprise.

Let us today understand an option which may help Entrepreneurs to reach closer to their vision. "Institutionalizing"! which refers to the process of establishing a set of norms, practices, or structures, as a permanent and integral part of an organisation. It involves formalising and embedding certain principles or procedures within the framework of an organisation so that they become standardised and widely accepted.

If an entrepreneur implements formal structures, processes, and systems to ensure its sustainability, scalability, and long-term success in preliminary stages of the business or at any stage, it can help them achieve much more. While the process may seem daunting, especially for smaller businesses, there are several compelling reasons why institutionalisation is essential:

- 1. Sustainability:** Small enterprises often rely heavily on the founder's expertise, relationships, and intuition. Institutionalising the business helps to mitigate the risk associated with over-reliance on individual stakeholders by establishing standardised processes, documentation, and knowledge management systems. This ensures that the business can continue to operate smoothly even in

the absence of key individuals.

- 2. Scalability:** Institutionalisation lays the groundwork for growth and expansion by streamlining operations, enhancing efficiency, and facilitating replication of success across different markets or regions. Standardised processes and systems make it easier to onboard new employees, enter into partnerships, and adapt to changing market conditions, thereby enabling the business to scale more effectively.

- 3. Professionalism:** Small enterprises often face challenges related to credibility, trust, and perception, particularly when competing with larger, more established firms. Institutionalisation helps to professionalise the business by instilling a culture of accountability, transparency, and excellence in all aspects of operations. This enhances the business's reputation, builds customer trust, and attracts top talent, ultimately driving growth and success.

- 4. Access to Capital:** Institutionalised businesses are generally more attractive to investors and lenders due to their robust governance structures, financial transparency, and scalability. By formalising financial reporting, compliance, and risk management processes, small enterprises can improve their access to capital, secure favourable financing terms, and fuel their growth ambitions.

- 5. Risk Management:** Small businesses are inherently vulnerable to various risks, including market volatility, regulatory changes, and internal conflicts. Institutionalisation helps to mitigate these risks by establishing clear roles and responsibilities,

implementing robust internal controls, and diversifying revenue streams. This enables the business to adapt to unforeseen challenges more effectively and safeguard its long-term viability.

**6. Succession Planning:** Planning for leadership transition is critical for the continuity and sustainability of any business, especially small enterprises. Institutionalisation facilitates succession planning by identifying and developing

future leaders, documenting key processes and knowledge, and establishing mechanisms for smooth ownership and management transfer. This ensures that the business can thrive beyond the founder's tenure and continue to create value for stakeholders.

**7. Right Talent Acquisition and Retention:** provides clear frameworks for recruitment, onboarding, and training. Defined job roles, standardised procedures,

and transparent expectations streamline the hiring process, enabling organisations to identify and attract candidates who align with their culture and objectives.

Once "Institutionalisation" is in place, it is maybe easier for the entrepreneur to gear through the four pillars of Marketing and Strategy, Operations and Customer Service, Finance and Compliance, People Management and help them in achieving their ambitions of creating a conglomerate.

## Feature 6

### Trade Wars: India's Battle Over Export Incentives with the US and EU



#### Dr. Joshua Ebenezer

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

In March 2018, the USA held consultations with the Government of India under Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and Articles 4 and 30 of the Agreement on Subsidies and Countervailing Measures (SCM) about certain export promotion schemes administered by Government of India.

USA has cited Articles 3.1(a), and 3.2 of the SCM in the instant Consultations.

Article 3 is extracted below for ready reference:

#### Article 3: Prohibition

**3.1** Except as provided in the Agreement on Agriculture, the following subsidies, within the meaning of Article 1, shall be prohibited:

(a) subsidies contingent, in law or in

fact, whether solely or as one of several other conditions, upon export performance, including those illustrated in Annex I;

(b) subsidies contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods.

**3.2** A Member shall neither grant nor maintain subsidies referred to in paragraph 1.

It is the stand of the USA that under Article 27 of the "Agreement on Subsidies and Countervailing Measures" (Agreement on SCM) covering Special and Differential Treatment of Developing Country Members, a country can no longer offer export subsidies if its per capita Gross National Income (GNI) has crossed \$1,000 for three years in a row. In 2017, the WTO notified that India's GNI had crossed the threshold of \$1,000 in 2013, 2014 and 2015. As part of their Request for

Consultations, dated 14 March 2018, the United States observed as under:

Consistent with Annex VII of the SCM Agreement, India is subject to the obligations of Article 3.1(a) of the SCM Agreement because India's gross national product per capita has reached \$1,000 per annum. Through each program, as reflected in the instruments listed above, India provides subsidies contingent upon export performance. The measures appear to be inconsistent with Article 3.1(a) of the SCM Agreement, and India appears to have acted inconsistently with Article 3.2 of the SCM Agreement.

As the consultations did not yield the desired results, a Dispute Settlement Panel has been constituted by the Director General as seen from the document NO WT/DS541/5 dated 24 July 2018, with the following Members:

Chairperson: Mr Jose Antonio S.

Buen Camino, Members: Ms Leora Blumberg and Mr Serge Pannatier

It is also noticed from this document that Brazil, Canada, China, Egypt, the European Union, Japan, Kazakhstan, the Republic of Korea, the Russian Federation, Sri Lanka, Chinese Taipei, and Thailand have reserved their rights to participate in the Panel proceedings as third parties. Therefore, the dispute is no longer a USA -India dispute.

It appears to be the contention of the USA that thousands of Indian companies are receiving benefits totalling over seven billion USD annually under various export incentive programmes and had alleged that the export subsidies "unfairly" benefit Indian Companies by creating an "uneven playing field" for the US-based manufacturers and exporters and harm American workers.

The Export incentives targeted by the USA are:

1. The 100% EOU scheme
2. MEIS
3. EPCG Scheme
4. SEZ, and
5. Duty-free imports programme-including AA Schemes- and also reference has specifically been made to Notification 50/2017 Cus dated June 30, 2017, granting an exemption for exporters in the Textiles, handicrafts, and leather sectors.

But the focus of the USA appears to be the MEIS scheme.

### India's Responses

As per Article 27.2 of the agreement on SCM, the prohibition of paragraph 1(a) of Article 3 shall not apply to:

- (a) developing country Members referred to in Annex VII.
- (b) other developing country Members for eight years from the date of entry into force of the WTO Agreement, subject to compliance with the provisions in paragraph 4.

Further Article 27.4 States as follows:

Any developing country Member referred to in paragraph 2(b) shall phase out its export subsidies within eight years, preferably in a progressive manner. However, a developing country Member shall not increase the level of its export subsidies and shall eliminate them within a period shorter than that provided for in this paragraph when the use of such export subsidies is inconsistent with its development needs.

It is the stand of India that countries that had crossed \$1,000 GNI at the time the WTO's Subsidies and Countervailing Measures

The agreement was implemented in 1994 (as part of the General Agreement on Tariffs & Trade) and had an eight-year implementation period. Therefore, India argues that developing countries crossing the thresholds subsequently should also be given the same concessions.

The Commerce Secretary Ms. Rita Teotia stated that in 2011 India had submitted a note to the WTO stating that the phase-out period for export subsidies should be eight years from the time a country crossed the threshold of \$1,000 GNI. India has been demanding and discussing this in the WTO.

But GOI is also aware that India's exports have got back on track after a setback of more than two years, and any immediate withdrawal of the export promotion/incentive schemes would hurt the export sector.

Notwithstanding their aggressive stand before the WTO, the Indian Government has started to look at WTO-compliant alternatives such as subsidies for R&D and modernisation, to replace the existing export subsidy schemes.

India suffered a setback at the WTO. On 31 October 2019, a WTO panel ruled in the case titled "India-Export Related Measures (WT/DS541/R)," where the United States challenged five Indian measures. These measures were deemed prohibited export subsidies inconsistent with the SCM

Agreement's Articles 3.1(a) and 3.2. The United States had alleged that these subsidies provided by India to exporters of various products, including steel, pharmaceuticals, chemicals, information technology products, textiles, and apparel, amounted to over \$7 billion annually and were detrimental to US interest.

The ruling required India to withdraw the prohibited subsidies. However, disputes such as these often lead to a series of negotiations and potential reforms in the challenged policies to align with WTO rules. The timeline for withdrawal or modification of these subsidies would be a key aspect of compliance efforts following the panel's decision. This case underscores the complexities of international trade regulations and the mechanisms in place for resolving disputes that arise when national policies are perceived to conflict with global trade norms established by the WTO.

India appealed against the WTO ruling on its export subsidies before the appellate tribunal of the WTO. However, there is a significant development concerning the appeal process itself. As of November 19, 2019, India appealed the panel report, but the appeal has been kept in suspension due to the non-functioning of the Appellate Body. The non-functioning of the Appellate Body is a broader issue affecting the WTO's dispute resolution mechanism, causing delays in appeals and the resolution of disputes. Consequently, until the appeal is disposed of, India is under no obligation to implement the recommendations of the Panel.

This situation highlights the challenges within the WTO's current dispute settlement system, particularly the impasse in the Appellate Body, which has been unable to function effectively due to disagreements among member countries over the appointment and reappointment of its members.

India introduced alternative schemes to the Merchandise Exports from India Scheme (MEIS by the name RoDTEP (Remission of Duties and Taxes on Exported Products) Scheme following

paragraph 4.01(e) of the Foreign Trade Policy, RoSCTL (Rebate of State and Central Taxes and Levies) scheme is per para 4.1 (c) of FTP. Also suggested replacement for EOU as MOOWR with attractive benefits and also constituted a committee to suggest alternative for SEZ while India' was focusing on such reformation on their existing exemption and remission scheme, let us delve a bit more into this one scheme RoDTEP in this article.

The RoDTEP (Remission of Duties or Taxes on Export Product) Scheme was announced to replace the MEIS with effect from January 1, 2021. This move was aimed at addressing the issues raised under the WTO framework, providing a more compliant mechanism to refund taxes and duties not reimbursed under any other existing mechanism. The RoDTEP scheme aims to refund the embedded duties and taxes to exporters, such as VAT on fuel used in transportation, mandi tax, and electricity duty used during manufacturing. The benefit is given to Indian Exporters as a percentage of FOB or a fixed amount per unit of measurement as prescribed. These changes reflect India's efforts to ensure its export incentive schemes are in alignment with its commitments under the WTO, aiming to support its exporters in a manner that is sustainable and compliant with international trade regulations.

It sought to provide a more equitable and transparent incentive structure for exporters by refunding embedded taxes and duties at various production and export stages, thus addressing the issues raised by the WTO regarding the previous MEIS.

Feedback from the Indian exporter community has generally been positive, highlighting the scheme's role in making Indian goods more competitive in global markets. By reducing the overall production costs through the refund of embedded taxes and levies, the RoDTEP scheme has enabled exporters to offer their products at more competitive rates internationally. This approach has not only diversified India's export portfolio but also encouraged companies to

explore new markets and opportunities.

Furthermore, the scheme aligns with the 'Make in India' initiative, supporting domestic manufacturing and exports, and by extension, reducing India's reliance on imported goods. The comprehensive coverage of the scheme, which includes a wide range of items with plans for further expansion, and its integration with the Goods and Services Tax (GST) regime, has reduced the administrative burden on businesses and facilitated a smoother process for obtaining refunds.

However, it is important to note that while the scheme offers numerous benefits, there are exclusions and restrictions. RoDTEP incentives are not available to certain businesses or goods, aimed at preventing abuse of the scheme and ensuring that it benefits the intended participants. Some industries that are export-oriented but face restrictions due to international obligations and trade agreements may not be eligible for RoDTEP benefits, particularly if they are already receiving other government incentives.

Overall, the RoDTEP scheme represents a strategic effort by the Indian government to enhance export competitiveness while adhering to international trade norms and regulations. Its implementation has been a critical step in promoting export growth and supporting the broader 'Make in India' initiative by incentivizing domestic manufacturing and reducing the cost disparities caused by embedded taxes and duties. Here comes another challenge for India from the same USA and EU in Nov 2023 The imposition of countervailing duties (CVD) by the United States and the European Union on Indian products over the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme represents a significant development in international trade relations involving India.

The US recently imposed CVD on Indian file folders, rejecting the arguments presented by the Indian government regarding WTO

compliance with the RoDTEP scheme. This decision by the US came after similar actions by the EU, which concluded that certain graphite electrode systems from India were being subsidized through the RoDTEP scheme, leading to the imposition of countervailing duties.

These actions highlight ongoing concerns and disputes over the compatibility of India's export incentive schemes with World Trade Organization (WTO) rules. The RoDTEP scheme was introduced as a replacement for the earlier Merchandise Exports from India Scheme (MEIS) to address compliance issues raised under WTO regulations. However, the recent imposition of CVD by the US and EU indicates that concerns regarding the compliance of such schemes with international trade rules persist.

The imposition of countervailing duties can have significant implications for exporters, potentially affecting their competitiveness in these key markets. It reflects the broader challenges countries face in balancing domestic policy objectives with the requirements of international trade law, especially in areas like export incentives, which are closely scrutinized for their potential to distort trade.

We as a country now need to prove to the world how we won a case against the USA by giving the correct calculation on the imposition of Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India, reported in DS 436. The USA lost the battle and finally reached a mutual solution on the 13th of July 2023 the USA withdrew its notification to the DSB (Dispute Settlement Body) of an appeal and the parties confirmed their agreement that the compliance panel report may not be adopted by the DSB, as through their mutually agreed solution the dispute had been terminated.

In the same way, India needs to present an irrevocable defense to bring the USA to the table to settle the dispute to protect our exporters from the ongoing threat.

# Green Customs - Enhancing Global Environmental Security



## Dr. Pramod Sant

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

The world today faces a myriad of risks across various domains. These risks are complex, interconnected, and require global cooperation and innovative solutions. Various risk associated globally can be divided into various categories. Environmental risks are higher in terms of both Likelihood and by impact.

In order to understand efforts by global community to protect environment it is important to understand Multilateral Environmental Agreements (MEA). These MEA provide countries with guidance on legislation and the exchange of Information. Regulating the cross-border movement

national laws and regulations. Customs play a central role in implementing trade-related MEAs. Customs help regulate legal trade and detect illegal trade, physical and documents checks and ensure they correspond to the actual items, combat fraud and compliance with prohibition

### Global Risks

Top Risk (By Likelihood)	Top Risk ( By Impact )
Extreme Weather	Infectious Decease
Climate Action failure	Climate Action failure
Human Environmental Damage	War ,Weapons of Mass Destruction
Infectious Decease	Biodiversity loss
Bio Diversity loss	Natural Resource crisis
Digital Power Concentration	Human Environmental Damage
Digital Inequality	Lively hood crisis
Interstate Relation facture	Extreme Weather
Cyber security failure	Debt Crisis
Lively hood crisis	IT Infrastructure breakdown

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

Source: WEF The Global Risks report

Environment problems are transboundary in nature and have a global impact. It is important to understand role of Customs and future steps. In order to understand important task custom administration, carry out, Green customs **Guide to Multilateral Environmental Agreement** was released by UN Environment Programme — Head of the green customs Initiative secretariate and Secretary General of WCO in 2023. Objective is to promote sustainable trade and Encourage customs to take and a proactive role in protecting the environment.








in certain environmentally sensitive items, for example, commodities, substances and wild species, through MEAs is one of several means available to preserve and protect the environment from the actual or potential adverse effects of specific human activities. When countries take the legal steps to formally agree to be bound by an MEA regulating international trade, they commit themselves to monitoring, controlling and, when provided, restricting or banning trade in certain environmentally sensitive items, through the enactment of

and restriction measures, and involved in the investigation of illegal trade. By means of these tasks, customs and border control officers are a safeguard against the deterioration of their countries, and the global, environment.

### Scope of Green Customs

Generating environmental benefits through digitalization and paperless procedures, enforcing MEAs and national environment related regulations, and implementing trade facilitation measures for environmentally friendly goods.

## Understanding Multilateral Environmental Agreements (MEA)

	Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal
	Cartagena Protocol on Biosafety to the Convention on Biological Diversity
	Convention on International Trade in Endangered Species of wild Fauna and Flora (CITES)
	Minamata Convention on Mercury
	Montreal Protocol on Substances that Deplete the Ozone Layer
	Rotterdam Convention on the Prior informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in international trade
	Stockholm Convention on Persistent Organic Pollutants

### Challenge in Green customs transition

- Increased globalisation, trade volume, increase in use of materials.
- Increased trade related environmental measures such as licences, bans, quota, Risk parameters and controls
- Sanctions, Exports controls
- Increase in number and scope of MEAs
- Circular economy
- Pressure of Trade facilitation and
- EODB
- Developing countries perspective
- Awareness
- Capacity Building
- Cooperation and collaboration Customs to Customs, Customs to Business, Customs to Govt.

### What is Green customs

Green Customs refers to the measures that Customs administrations can take or develop to reduce their own environmental footprint ("being"), to protect the environment, and facilitate to green trade ("doing"), and to test transformative ideas towards sustainability excellence ("innovating"), and by doing so drive progress on the related United Nations Sustainable Development Goals.

### Building blocks in Green Customs

- Being - Measures to green the Customs administrations themselves.
- Doing - Customs measures to green trade
- Innovating - Innovative thinking and transformative measures in Customs

### Building blocks for Green Customs



Source – WCO

As per WCO in order to successfully implement the measures in each building block it is crucial to educate staff about reducing their environmental footprint, train staff and trade with respect to the policy measures in place to green trade and provide guidance for the cultural change necessary for the green transition.

Work in green area is complex and time taking and WCO has made action plan

Green Customs Action Plan (GCAP)

This is divided in three phases

- 1. Short-term objective** - The WCO developed its thinking on Green Customs through a dedicated Action Plan by end of financial year 2022-2023.
- 2. Medium-term objective** - (Strategic Plan 2022-2025) Implementation of WCO's Green Customs Action Plan.
- 3. Long Term Vision** - Green Customs will become common practice, WCO will be facilitator and Customs in respective countries will play key role.

### Indian Customs Achievements

Last few years CBIC has implemented several digitalisation projects such as RMS, Single window Interface for facilitating Trade (SWIFT), AEO, RFID (e seal), Paperless customs, Contactless customs and eSANCHIT.

These efforts have reduced number papers and is appreciated by WCO as

example to protect environment.

### Conclusion:

Integrating environmental protection into the functions of customs agencies is vital for addressing global environmental challenges. By leveraging customs strategic position at borders, customs authorities can effectively enforce environmental laws, prevent environmental crimes, protect public health, and promote sustainable development. This comprehensive approach is essential for achieving India's and global environmental goals and ensuring a healthier planet for future

# Do's and Don'ts of DG Cargo for Road Transportation



## Mohan Subramaniam

Founder & Program Director  
Transmittir Sewa Foundation

Compliances are not limited to dedicated carriers or Road Tankers alone; violation of NORMS can be counterproductive. One feels that enforcement of rules on road is only applicable to seat belts not being fastened, no helmets or over speeding - others get IGNORED (नजरअंदाज कर दिया).

Are you looking at taking action only when there is enforcement of rules? There is something called off-road compliances which we need to adhere to, before a D G (Dangerous Goods/Hazardous Goods) consignment leaves with a load to the destination.

Attention!!! Experts from the Road Transport Industry and Consigners of Hazardous Goods.

It is critical that everyone involved in the transportation of dangerous goods adheres to the necessary safety standards and protocols to ensure that these materials are transported safely and securely.

Dangerous goods are substances and articles that have explosive, flammable, toxic, infectious or corrosive properties and pose a risk to public safety, property and the environment.

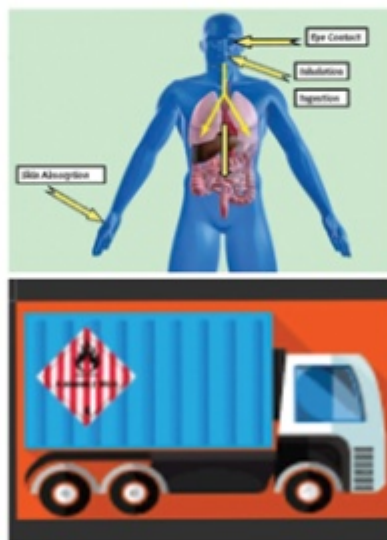
Are we not surrounded by hazardous goods as we move on in life on a daily basis? This does not mean we do not get out of our bed, house or the locality itself for fear of mishaps or incidents.

It is observed that markings and labelling on the trucks involved in such movements are not up to the mark, especially for NON-DEDICATED VEHICLES or Carriers.

The rapid increase in the transportation

of hazardous chemicals has enhanced the accident potential during transit. In transit the goods would be subject to impact, vibration, compression and other adverse effects and exposure to harmful environment.

For mitigating 'vehicle toppling incidents', resulting in leakage the following **Fundamental Principles in Driving** needs to be considered -



(It is harmful to all living beings in the event of a spillage. Basic DL checks, TREM CARD or the Hazardous goods Training certificate does not complete the 'check list' at plant gate entry, there is more to it).

**So, what are the rules or parameters for obtaining a chemical licence for truck drivers transporting Dangerous Goods?**

In India, the transportation of dangerous goods, including chemicals, is regulated by various laws and regulations. The specific rules for obtaining a chemical license for truck drivers transporting dangerous

goods is documented in the form of a Govt. notification. However, the general overview of the requirements and guidelines that are commonly & hopefully followed in India are:

### Hazardous Substances:

Identify the specific hazardous substances that are being transported. These substances are classified into different classes and divisions based on their properties and risks. Ensure compliance with the relevant regulations for each class of dangerous goods.

### License Application:

The driver or the transport company has to apply for a license or permit to transport dangerous goods. This can be done through the appropriate regulatory authority. (Read below CMVR-9).

### Driver Training:

The truck driver must undergo specialized training in the handling and transportation of dangerous goods. This training typically covers topics such as identification of hazardous substances, handling procedures, emergency response, and safety precautions.

The training for drivers of Commercial Vehicles carrying Dangerous or Hazardous goods is done in two phases in ACCORDANCE WITH CMVR-9 of CMVR -1989. Phase one or the initial training is done for three days. After doing this training a driver is eligible to get the endorsement on his driving license, with three years validity. Now this driver is permitted to enter any of the petroleum depots or chemical plant / warehouses. So apart from safety implications, the chemical licence is a proof of compliance.

The second phase of training is after three years. This is a Refresher Course for one day. This entry on the driving license is made again which will remain valid for three years.

#### Vehicle Requirements:

The truck or vehicle used for transporting dangerous goods must meet certain specifications and safety standards. This may include having appropriate warning signs, placards, labels, and safety equipment such as fire extinguishers and spill kits.

#### (CMVR 129 to 137)

**Documentation:** Maintain accurate and up-to-date documentation related to the transport of dangerous goods. This may include a manifest or consignment note specifying the details of the hazardous substances being transported, their quantities, and emergency contact information.

#### Compliance with Regulations:

Ensure compliance with relevant regulations such as the Central Motor Vehicles Rules -1989, The Motor Vehicle Act 1988, The Explosives Act, The Gas Cylinder Rules, other PESO regulations, The Carriage by Road Act, 2007 and other applicable laws and guidelines specific to dangerous goods transportation.

It's important to note that the rules and requirements for obtaining a chemical license for truck drivers transporting dangerous goods is available in the CMVR-1989 and MV Act 1988. It is advisable to consult the appropriate regulatory authorities or seek professional advice to ensure compliance with the latest regulations in your specific jurisdiction.

Govt. recognised training institutes are located across the country conducting training as per CMVR syllabus.

To reiterate the three days training is exhaustive, and a certificate of the training completion is provided by trainer to facilitate endorsement of HASCHEM in the DL (Driving Licence) of the Lorry Driver.

The **CMVR -1989** regulates transportation of Hazardous materials as per rule — 9 (endorsement in Driving Licence) leading to eligibility to drive such loaded vehicles.

Entry to plant or manufacturing facility is permissible only with a proper DL and chemically approved as mentioned above.

**Mere training certificate** (which gets managed) is not enough for TRUCKS or TRUCK DRIVERS entering the processing or storage UNIT for loading/unloading or movement of Hazardous Goods. If Organizations allow this, it is a serious violation.

Who is responsible if vehicles transporting DGs do not follow the above-mentioned rules?

Driver, Vendor or the Corporate — view please!

Sections like 190, 199 of the Motor Vehicle Act 1988 can also apply if not adhered, recently we have also come to know of arrests of safety managers in organisations for noncompliance.



(A sample DL showing Hazardous Validity, 4TH line from top it mentioned).

Hence corporates /stakeholders make amendments in your check list for vehicle entry at plant gate, the eligibility as regards class of vehicle can impact Insurance claim, TSF can also guide you in depth.

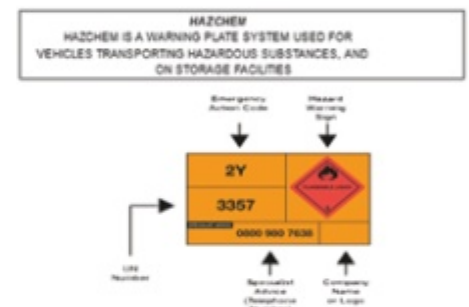
By the way, are you aware that BIS (Bureau of Indian Standards) has formulated certain guidelines for transportation of Dangerous Goods (DGs)?

The guidelines provided in the standard, IS 18149:2023, would help all the participants and stakeholders

including vehicle owner's/transport agencies, authorities, contractors, consignors, consignees, loaders, unloaders, driver and vehicle crew carrying dangerous goods/substances for the safe transportation of dangerous goods.

The guidelines would provide uniformity and improvement in the services offered by the transport agencies and would enable to deliver a higher level of services and satisfaction to consignees and consignors for safe transportation of dangerous goods.

The BIS guidelines play a key role in promoting responsible and sustainable transportation practices, with regards to hazardous goods.



So, friends, do we see more of the leak-proof ISO tankers on Roads, replacing the road tankers in the future; we leave it to you to ponder.

Thanks to the honorable Transport Minister for making AC Cabins compulsory on trucks w.e.f. 2025, which means 'cowl & chassis' trucks will not be available in stockyards. The MORTH circular is released.

हाईवे पर चाहे जितनी भी तेज रफ्तार से आप जाएं फिर भी आप किसी न किसी को अपने आगे पाएंगे। हमारे जीवन का सच भी यही है। हम हर किसी से आगे नहीं निकल सकते हैं। अतः हमारी जिंदगी के सफर का भी आनंद लें। रास्ते में आए हर एक मोड़- मरोड़ और उतार- चढ़ाव को जीते हुए जिंदगी का सुहाना सफर पूरा करें।

More effectiveness in this area can be vide concepts called ADR and appointment of DGSA (Dangerous Goods Safety Adviser) but let's get to basics and minimum requirements which is still in scares.

## Photo Gallery



Session on Lessons from Baltimore - Risks and Claims held on 13th May'24  
— Attended by Mr. Naveen Prakash, AMTOI SRC Convenor



3rd edition of The ATPI-Marex Women in Maritime Conference & Awards 2024 (WIMCA 2024) - Attended by Dr. Sharmila Amin, Convenor and Nishita Modi, AMTOI Women's Wing Co-convenor



AMTOI NRC Hosted NISAA  
on 24th May 2024



4th IMC Business Connect, 30th May 2024  
Attended by Mr. Vasant Pathak, AMTOI WRC

# Photo Gallery



Celebration of International Day for Women in Maritime at Maritime Institute, Mumbai- Attended by Dr. Sharmila Amin, Convenor & Nishita Modi, Co-Convenor AMTOI Women's Wing

# 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

## AMTOI Patron Members

- Transcon Freight System Pvt Ltd
- Teamglobal Logistics Pvt Ltd
- Allcargo Global Logistics Ltd
- Triton Logistics & Maritime Pvt Ltd

## AMTOI Term Gold Members

- |   |   |
|---|---|
| • CKB Global Logistics Pvt. Ltd.                      | • Chakiat Agencies Pvt. Ltd.                  |
| • ATC Global Logistics Pvt Ltd                        | • AVANA Logistek Ltd                          |
| • Bhatia Shipping Pvt Ltd                             | • Link ShippWing & Management Systems Pvt Ltd |
| • Velji Dosabhai & Sons Pvt Ltd                       | • EXPO Freight Pvt Ltd                        |
| • Express Global Logistics Pvt Ltd                    | • TVS SCS Global Freight Solutions Ltd        |
| • Neptune Container Line & Logistics Pvt Ltd          | • Goodrich Maritime Pvt Ltd                   |
| • GRT Global Logistics Pvt Ltd                        | • Awatac Container Line Pvt Ltd               |
| • Links Cargo Agencies Pvt Ltd                        | • DSV Air & Sea Pvt Ltd                       |
| • PDP International Pvt Ltd                           | • Insynergy Supply Chain Solutions Pvt Ltd    |
| • Prudential Global Logistics (India) Private Limited | • Radar Ventures Pvt Ltd                      |
| • Sanco Trans Ltd                                     | • Freight Lines (India) Pvt Ltd               |
| • Orchid Shipping Pvt Ltd                             | • Jaguar Shipping And Logistics Pvt Ltd       |

## AMTOI Managing Committee Members 24 - 25

1.	Mr. Xerrxes Master	President
2.	Mr. Arun Kumar	Vice President
3.	Mr. Devpal Menon	Hon Secretary
4.	Mr. Haresh Lalwani	Hon Treasurer
5.	Mr. Shantanu Bhadkamkar	Immediate Past President
6.	Ms. Anjali Bhide	Executive Committee Member
7.	Mr. Ravi Gandhi	Executive Committee Member
8.	Mr. Venkataraman	Special Invitee
9.	Mr. George Abrao	Special Invitee
10.	Mr. Sam Katgara	Special Invitee
11.	Mr. Shankar Shinde	Special Invitee
12.	Mr. Vasant Pathak	Convenor WRC
13.	Mr. Prashant Popat	Co-Convenor WRC
14.	Mrs. Priya Anil Thomas	Convenor NRC
15.	Mr. Supratim Majumdar	Co-Convenor NRC
16.	Mr. Brij Lakhota	Convenor ERC
17.	Mr. Kaushik Roy	Co-Convenor ERC
18.	Mr. Naveen Prakash	Convenor SRC
19.	Capt P S Rath	Convenor NVOCC Council
20.	Mr. Biju Sivakumar	Co-Convenor NVOCC Council
21.	Mr. R K Rubin	Special Advisor
22.	Mr. Nailesh Gandhi	Advisor
23.	Mr. Vivek Kele	Advisor
24.	Mr. Tushar Jani	Advisor
25.	Mr. Anand Sheth	Advisor
26.	Mr. Shashi Tanna	Advisor
27.	Mr. Shailesh Bhatia	Advisor
28.	Mr. Clarence Xavier	Co-Convenor - Information Security
29.	Dr. Sharmila Amin	Convenor - Women's Wing
30.	Ms. Nishita Modi	Convenor - Women's Wing
31.	Mr. Dushyant Mulani	Convenor - Taxation Sub - Committee

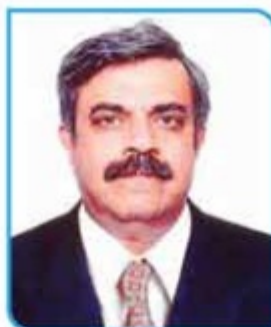
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Mr. Shashi Tanna  
Tenure - 2012-2013



Mr. Sailesh Bhatia  
Tenure - 2013-2015



Mr. Vivek Kele  
Tenure - 2015-2017



Mr. Nailesh Gandhi  
Tenure - 2017-2018



Mr. Shantanu Bhadkamkar  
Tenure - 2018-2021



Mr. Xerrxes Master  
Since - 2021

## Key Contributors



Mr. Arvind Parikh



Mr. Shashi Kiran  
Shetty



Mr. R K Rubin



Mr. Sunil Vaswani



Mr. Vaishnav Puri

# 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/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/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	
	Third Country Shipment - origin/destination charge	Export of Service (No GST)	NIL	YES	5% RCM on Purchase	
	Export Cargo - Ocean Freight	Export of Service (No GST)	NIL	YES	5% RCM on OFC Purchase from Overseas	

\*\* 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

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