

J. M. BAXI GROUP

TIDINGS

ISSUE X

JULY - SEPTEMBER 2015



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J M BAXI GROUP

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From the Quarter Deck

Dear friends and colleagues, the new government of India has just completed one year in office and the last fortnight saw many comments in the press on its progress. In our sector, there have been some interesting developments. After a few years of losses, the Shipping Corporation of India has turned around into profitability and declared positive results despite difficult trading conditions globally. Similarly, Dredging Corporation of India has also declared buoyant numbers and seems poised to achieve better and bigger targets. Most of the ports in India have had positive numbers. We now await the tender for the nine LNG ships for GAIL and for acceleration of the oil and gas activity especially on the eastern seaboard of India, which continues to garner attention. The recent agreement signed between Bangladesh and India is historic and groundbreaking to say the least. The enhancement of connectivity between the two countries is expected almost immediately to stimulate a spike in the growth in trade and cargo movement especially between ports on the east coast of India and Bangladesh. Our terminals at Vizag and Haldia are ideally poised to handle this growth. This is an opportunity that we should be grasping with both hands by providing our high level of efficiency for enabling and growing this trade. We are already seeing additional container feeder ships being deployed on the eastern seaboard. Recent international press reports have suggested that due to worsening trade and market conditions for dry bulk carriers, much of the ordered tonnage is being converted or built into container ships. Intra-Asia container trade seems to be growing as also is the Asia-Africa trade.

The development of coastal shipping and inland waterways has been declared a priority of the new

government through the Sagarmala project. I wrote in the Tidings in issue V from the quarter deck, that one of the major challenges that the new government will have to contend with is the high level of non-performing assets within the Indian banking sector. The governor of the Reserve Bank of India has been pointing this out and gradually it is hoped that this problem will receive the corrective action that it deserves. The problems this causes are not only that lending activities are at unacceptable low levels but also that the cost of capital is too high. In today's globalised economy where competition is worldwide, Indian companies become non-competitive from the word go due to the high cost of capital.

From the J M BAXI GROUP's perspective, it is indeed my pleasure to report on behalf of our teams some of the results of the hard work and effort that we all have put in:

1. M.V. Vir Varenia, our heavy-lift Ro-Ro ship, has been launched and should be commissioned by September after her final sea trials.
2. The Haldia Container Terminal is making swift progress. It will enable the feeder ship trade into a terminal with global operation standards.
3. We have done the groundwork for our CFS at Vizag, which will go a long way in ensuring steady growth in our container volumes. We have set ourselves an ambitious target of building this much needed facility in 11 months.



On the logistics front, it is hoped that the bill on Goods and Services Tax (GST) will be enacted in the next few months. This would be a landmark taxation policy, which would go a long way in easing the transportation and logistics of goods within India, both in terms of costs as well as speed. The benefits expected to emerge are immense and the industry is eagerly awaiting them.

Concluding for this quarter, as always almost every Indian citizen, whether they are an economist, business person, politician, bureaucrat or farmer, is awaiting the progress of the monsoons. Once again, it is hoped that the monsoons do well thus keeping the rural economy robust and thriving ■

Krishna B. Kotak
Chairman - J M BAXI GROUP

Agency & Services

Pipavav: Putting The Pareto Principle Into Practice

Pipavav was the first private container port in India and was set up primarily to handle container vessels belonging to AP Moeller (Maersk Line). In 2014-15, the terminal handled 750,000 TEU. J. M. Baxi & Co. has been handling two to three bulk, break bulk and offshore supply vessels per month. J. M. Baxi & Co. also handles container ships belonging to Shipping Corporation of India (SCI) with 400 to 500 TEU per sailing. SCI has four or five sailings per month and the J M BAXI GROUP companies are involved in the clearance, handling and customs formalities for their containers at Pipavav. However, on the ship agency side, J. M. Baxi & Co. has not achieved the desired revenue level.



1. Containers



JMB handled 59 container vessels, including 40 for Shipping Corporation of India totalling 17,905 TEU, during 2014-15. This is a growth of 42% in SCI's container business at Pipavav over the previous year. We also handled calls for 19 Samudera vessels. During March 2015, J. M. Baxi & Co. loaded 1419 TEU, which is the highest ever coastal monthly loading since the inception of SCI's SMILE Service at APM Terminal, Pipavav. We also handle about 350 TEU per month for Samudera. In the last financial year, we handled 13,983 TEU for Samudera.

Besides containers, the following types of cargo are also handled at Pipavav port.

2. Coal



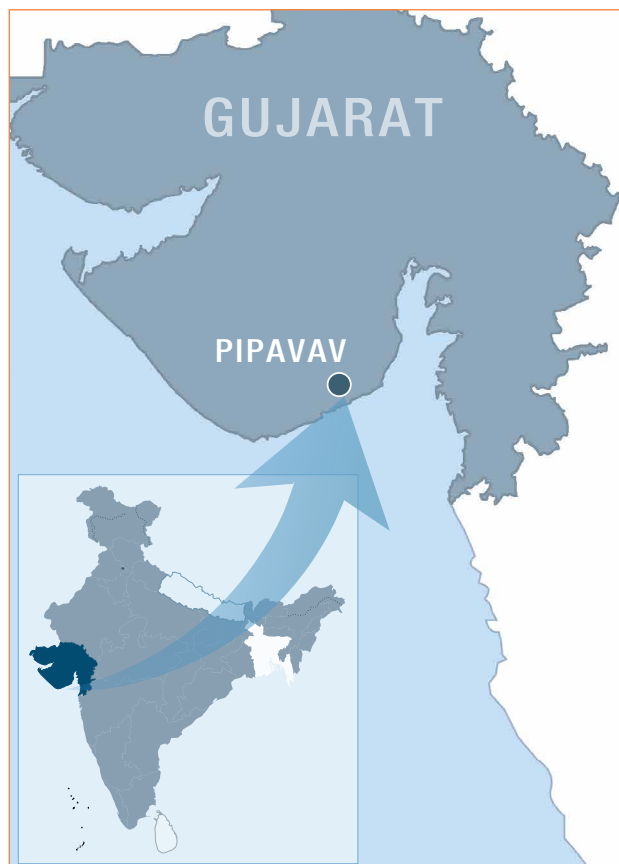
Three or four vessels with a parcel size of 55,000 to 70,000 MT of coal call at Pipavav every month. The coal is normally carried from South Africa, Indonesia and Australia. The main receivers of this cargo are Ultratech Cement Ltd, Adani Enterprises, Aditya Birlanuovo, Rosa Power Supply Co, Hindustan Zinc and Shah Coal.

3. Fertiliser



An average of two or three vessels with a parcel size of 60,000 to 65,000 MT of fertiliser, call at Pipavav every month. The fertiliser is largely urea and is loaded at Yantai, Qingdao and Bayuquan ports of China. The main receiver of the fertiliser is M/s. IFFCO. Prior to March 2014, the fertiliser was shipped from Oman, but since April 2014, this cargo is now being imported from China.

Agency & Services



PIPAVAV PORT RESTRICTIONS

Sr. No.	FEATURES	AVAILABILITY / RESTRICTION
1	No of berths	(a) Containers = 2 (GP 3 / 4) (b) General = 2 (GP 1 / 2) (c) LPG/Liquid = 1
2	Max LOA	(a) Containers = 335 m (b) General = 240 m (c) LPG/Liquid = 190 m
3	Max beam	(a) Containers = 50 m (b) General = 35 m (c) LPG/Liquid = 33 m
4	Max draught	(a) Containers = 14.5 m (b) General = 13.5 m (c) LPG/Liquid = 10.5 m
5	Berthing / hauling	On tide (twice a day)
6	Tidal variation	1.15 – 2.5 m
7	Night navigation	Available
8	Shore crane	Only on GP1/2 = 3 x 26/60/100T

4. Limestone



An average of one or two vessels of limestone with a parcel size of 45,000 to 55,000 MT is received monthly from Mina Saqr in UAE and Salalah in Oman. Ultratech Cement Ltd, Gujarat Heavy Chemical Ltd and Nirma Ltd are the main receivers for this cargo.

5. Gypsum



An average of one vessel with a parcel size of 35,000 to 55,000 MT is received at Pipavav every month. The gypsum is mainly loaded at Salalah in Oman. This cargo is used by the cement industries and other chemical industries and Ultratech Cement Ltd and Nirma Ltd are the main receivers.

6. Liquid Cargo

Recently the storage and handling of liquid cargo has started at Pipavav and the main storage terminals are listed below.

- Aegis Gas (LPG P Ltd) – storage capacity of 95,000 kl
- Indian Molasses Co – storage capacity of 100,000 kl
- Gulf Petrochem India Pvt Ltd – storage capacity of 250,000 kl

An average of one or two vessels per month with a parcel size from 2,000 to 10,000 MT call at Pipavav. The main commodity is n-paraffin and LPG.

M/s. Stolt Nielsen has commenced services to Pipavav port and their first vessel under J. M. Baxi & Co. was handled in February 2015.

In the prevailing trade situation, J.M. Baxi & Co. is looking at various options for increasing tramp agency appointments for the dry and liquid cargo vessels calling at Pipavav ■

In Conversation

Break Bulk: ANTWERP 18 - 21 May 2015

Breakbulk Europe is the largest industrial exhibition and interactive forum in the world addressing the needs of breakbulk and project cargo logistics professionals. The conference provides a great opportunity to network with Industry professionals from world over.

J M BAXI GROUP, was represented by Boxco Logistics, which is a market leader in the Breakbulk & Project cargo In the Indian Sub-continent. Mr Janesh Gulati, Executive Director Boxco Logistics; Mr Mayank Kaushal, President Boxco Logistics, Capt. D. S. Jolly, President Boxco Logistics, Mr David Sharman, J M Baxi (UK Ltd.) represented the company.

The highlight of the Boxco Logistics presence was the launch of the M. V. Vir Varenia, the maiden ship of the J M BAXI GROUP, specially designed to cater to the challenging needs of the Project Cargo shipping around the world. The ship with Indian Flag will carve a niche as it is one of its kind, flat deck, with a clear deck of 100X25 meters, deck strength of 20 MT/sq mtr, shallow draft requirements and economical on fuel and operating cost. The ship attracted a lot of interest from the industry at large, and mostly from the oil and gas sector. The specifications of the ship impressed all from the oil and gas industry, and keen interest shown by visitors at our stall was a matter of great pride for the J M BAXI GROUP.

The conference further established the group's leading position for movement of bulk cargo and project cargo in the South Asian Region. Learning from various partners and leaders in the industry will help the group to further grow and adopt best practices in the industry ■



In Conversation

Launching of VIR VARENYA

22 May 2015 was an eventful day for the J M BAXI GROUP as our vessel "M.V. Vir Varennya", was launched into the sea. The first plate of steel for the vessel was cut in January 2014 and the journey over the last 16 months, which has seen so many steel plates being cut, fabricated, painted and welded into blocks, has been one of hard work, workmanship and craftsmanship.

The shipyard, classification society, major equipment suppliers and the J M BAXI GROUP team were geared up to ensure all tasks were completed for a smooth launch. During the past few months, each block has been welded to the next on the slipway where the hull was constructed resting on stools and wooden blocks. As preparations



VESSEL VIEW AFTER LAUNCH

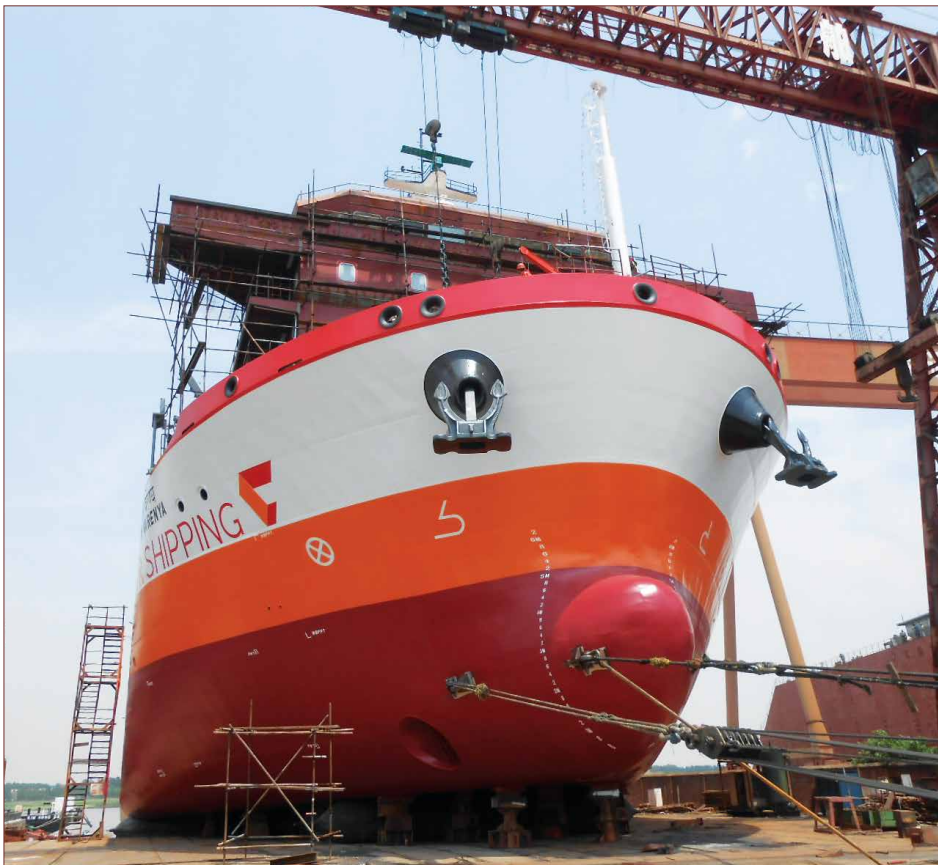
for launch were underway, these stools and blocks were replaced by huge sets of rubber balloons. With mechanical precision, the balloons were strategically placed under different part of the vessel bottom so that the load of the vessel was equally distributed on them. The air pressure in each of the

balloons, was set to give the vessel the desired lift.

The water level was continually monitored to maintain sufficient draft during launch. At 1740 hrs local time, the vessel was finally allowed to slide into the water. Slowly and firmly, the 4000 metric tonne steel hull rolled into the water and within no time, the vessel shifted from resting on a slipway to floating on water.

The vessel was thereafter towed to the outfitting jetty where the accommodation chambers and other outfitting work were carried out. Also the main engine and other equipment were commissioned over the next three months, after which the vessel was ready for sea trials. The shipboard crew were mobilised in stages during these months so that they become acquainted with the machinery and other systems on the vessel. The vessel is expected to be available for commercial operations by September.

Because of its very high technical specifications, the vessel has already attracted the attention of many charterers. J M BAXI GROUP's commercial team is working out the maiden voyage of the vessel. This would be the first of its kind under the Indian flag and we are all waiting for the vessel to sail into the Indian waters soon ■



VESSEL GETTING READY FOR LAUNCH

Logistics

BMM ISPAT fully satisfied with our performance

Q: Boxco Logistics and BMM Ispat have worked together to handle various project cargoes of the Danapur plant. Could you highlight some specific service capabilities that made BMM Ispat shortlist Boxco Logistics as your preferred logistics partner?

Ans: I and a few of my colleagues here have worked for Mecon Ltd. We have working experience with the J M BAXI GROUP for logistics and port clearance. Keeping this in mind, my predecessor approached Mr Sunil Shetty. At that point in time, we had not started with the project but we had some machines to be moved from China.

BOXCO was considered one of the vendors for logistics support of our project. In the initial stage, some orders were placed and we were happy and satisfied with the execution of the same. Our confidence level increased with the J. M. Baxi & Co. team and we moved forward. The J. M. Baxi & Co. team managed our equipment ranging from a small cylinder weighing 150 kg by air freight to a transformer weighing 140 MT and we were never made to feel that one consignment was less important than another. I must say that the manner in which our initial orders of ad hoc shipments were handled was instrumental in deciding to move our steel plant project with Boxco.

Q: Different types of project equipment were being moved from Chennai and Mumbai ports to the plant location. Could you briefly elaborate on some of the major challenges involved, especially the heavy lift movements that were undertaken and how these challenges were addressed in the course of project execution?

Ans: Our challenges were not only restricted to the heavy lift movement in India but began at the port of loading, especially with the Chinese suppliers.



Mr V. P. Khandelwal is an electrical engineer from the University of Indore. He graduated in 1971.

Immediately after completion of the Engineering degree he joined Mecon where he served in various positions for 37 years. In 2009 he moved to Nigeria to join African Foundries Ltd. After a brief stint there he joined BMM Ispat in 2011 as DGM Contracts.

There was a great deal of co-ordination required. The normal mindset was that this would have been handled better by multinational freight forwarder. However, Boxco has changed our thinking. We were surprised with the efficiency with which a team sitting in Mumbai could co-ordinate with suppliers across the globe, co-ordinate with shipping lines and ensure our material left on time. In fact, some orders that were placed with other MNC forwarding companies who failed to deliver were eventually transferred to Boxco.

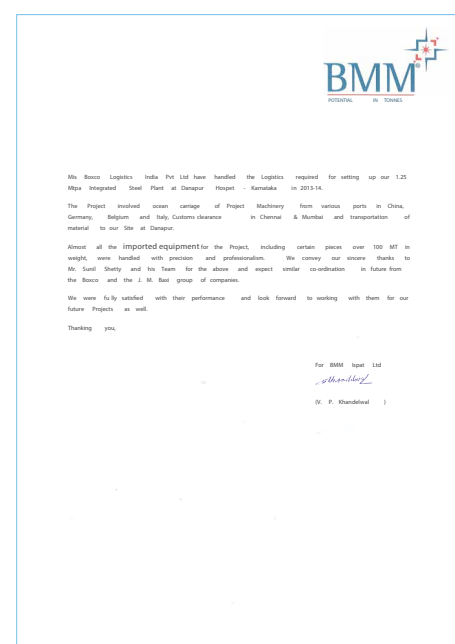
On the Indian side, we thought customs clearance at Chennai would be a difficult task; however, this was managed brilliantly by the Chennai team. On the transport front, this was a tried and tested route; however, the challenge was in terms of getting all the equipment

together. Some of our consignments needed over 75 trailers of different types: mechanical, long length and hydraulic trailers. This was handled extremely efficiently by the team.

Q: Boxco Logistics is an integrated player in the logistics services market and combines its project logistics capabilities with bulk logistic services and is working with customers like Jindal, Indian Phosphate Ltd, RINL etc. Do you therefore see any business scope for working together in the bulk logistics segment, especially for steel exports, looking ahead into the future?

Ans: At this point in time, we believe our production of 1.2 mpta will be consumed completely in the Indian market. However, should there be any changes or with increased capacity in the future, we will of course look at Boxco as our preferred partner for our exports.

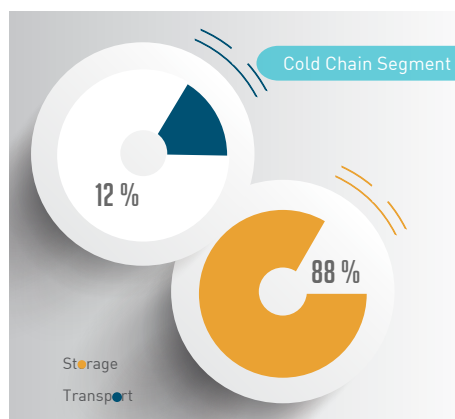
In the meantime, we will be discussing the possibilities of domestic supplies with the Boxco team ■



Logistics

J M BAXI GROUP's Foray In Cold Chain Logistics

The Indian economy is predominantly agrarian and over 50% of its landmass is potentially cultivable. Though this compares well with a much lower global average of 11% across countries and is only marginally lower than United States at about 53%, the share of the food processing industry in India is merely about 10% of gross industrial production. Yet adequate and safe bulk storage facilities for food grains and cold chain storage and transportation infrastructure for handling the products of the food processing industry has remained a challenge that remains to be addressed effectively. Almost over 50% of agro industry (which includes 36% share of the milk and dairy products, 8% of marine-based products, 6% of meat and poultry products and 2% processed fruits and vegetables) have given rise to a cold chain market valued at about 3 billion. The cold chain demand is expected to further touch 8 billion by 2018, with the food processing industry going through increased investment and modernisation of existing facilities and establishment of new ventures via private and government partnerships.



The requirement for cold chain logistics is influenced by some very critical product characteristics such as the

Volume (in MT)	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10	2014 - 15
Meat and Poultry	500,000	525,000	551,250	578,813	607,753	775,664
Seafood (export)	450,000	472,500	496,125	520,931	546,978	698,098
Frozen F&V	30,000	36,000	43,200	51,840	62,208	154,793
Cheese	10,000	11,000	12,100	13,310	14,641	23,579
Imported F&V	30,000	33,000	36,300	39,930	43,923	70,738
Butter	50,000	57,500	66,125	76,044	87,450	175,894
Ice Cream	200,000	230,000	264,500	304,175	349,801	703,575
Chocolate	40,000	44,000	48,400	53,240	58,564	94,318
	1,310,000	1,409,000	1,518,000	1,638,283	1,771,319	2,696,660

specific temperature requirements of different commodities, the seasonality (i.e. availability of produce) and market trends. Based on product requirements and characteristics, the cold chain market in India can be segmented into the following major product segments: Currently, India has around 7000 cold storage facilities unevenly spread across the country, with an installed capacity of 30.11 million metric tonnes. About 40% of India's cold chain storage capacity is based in the states of Uttar Pradesh and West Bengal followed by Maharashtra, Punjab, and Gujarat. The fastest growing segment in processed foods is frozen food products. The trade estimates for the industry project total production between 35,000 and 40,000 MT per annum valued at INR 250-300 crores annually.

The Ministry of food processing Industries in India recently reported that India is short by 29 MT of cold storage capacity so for year 2013-2014 over 4-18% of agricultural produce was wasted post harvest, amounting to INR 44,143 crore suffered a post harvest loss. An estimated 132.4 Million Tonnes of milk was produced in 2014, but cold storage capacity is only available for 70,000-80,000 MT of milk. Annually, 20%-30% of fish production is wasted in India. With the entry of big corporates

into retailing, the supply chain including the cold chain for food and beverages distribution is expected to get streamlined. There is an increasing demand for cold storage facilities for not only highly perishable products but also for a wide variety of vegetables, fruits and grains.

According to industry estimates, approximately 104 million MT of perishable produce is transported between cities each year. Of this, about 100 million MT is moved via non-reefer mode and only 4 million MT is transported by reefer. India had about 250 reefer transport operators in 2014 (mostly small and non-integrated firms), which transport perishable produce. More than 30,000 refrigerated vehicles currently ply in India and majority of the refrigerated vehicles (~80%) are utilised for milk and milk products transportation. The high cost of transportation is a major challenge for the refrigerated market. Key growth drivers include export of meat products, and rising demand for confectionery, frozen food etc.

J. M. Baxi Cold Chain Grid Initiative

ULA CFS caters to a niche percentage of the 2500 reefer containers at Nhava Sheva, leaving a huge untapped potential of total reefer

Logistics

market transiting the gateway port. The Marketing team of ULA CFS has initiated a new campaign, Mission Reefers. It is a simple three-facet programme:

- 1. Infrastructure enhancement
- 2. Tailored reefer-centric services
- 3. Reach out to CHAs and freight forwarders with a comprehensive package.

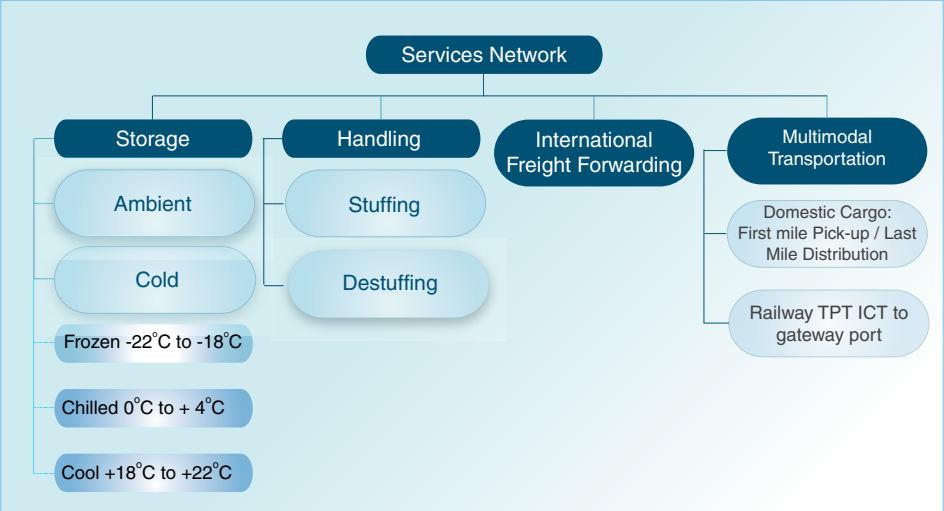
Recently Vizag port started handling the movement of chocolate reefer cargo. The distribution is carried out with modern temperature-controlled reefers in the special Economic Zone at Duvvada, Vishakhapatnam.

Cold Chain Grid

Boxcold has been incorporated as a cold chain subsidiary under Boxco Logistics India Pvt Ltd. Boxcold’s vision is to be ahead of the curve with the right technology, infrastructure and service quality for catering to this industry both for domestic and EXIM requirements and it aims to exploit synergies drawn from companies of the J M Baxi Group through their Pan-India network of International Cargo terminals. The company has long experience in sea logistics, apart from storage, which will create an integrated cold chain solution right from import to inland logistics, storage and distribution.

“The proposed facility will help in reducing time lag in Cold Chain and will help to control the post harvest losses.”

Delhi International Cargo Terminal (DICT) has already been commissioned in the adjoining facility. Additionally, the proposed facility is in close proximity to Mega Food Park and the India International Horticulture Market at Sonapat. None of the deep freeze



PRODUCTS	FEATURES
Potato	Accounts for almost 80% of existing cold storage capacity
Chocolate	Highest outsourcing demand among various product segments Large variation in peak and non-peak demand No dominant player among service providers
Meat and Poultry	Major part of demand fulfilled by professional pan-India cold chain players
Fruits & Vegetables	Stable and high demand throughout the year No dominant player yet More than 60% of demand met by small, local and regional players
Dairy Products (Butter & Cheese)	Substantial demand throughout the year Major players not very active Significant number of small players
Ice Cream	Highly seasonal demand in peak season High growth with 35% demand shared by small players

industries in north India has sufficient storage capacity. The proposed facility will have a multi-chamber facility with dynamic temperature and humidity control systems; this will allow storage of all types of materials in the frozen, chilled and dry categories across the temperature range from – 18°C to +18°C. The unique selling point of the proposed infrastructure is that a variety of products can be stored with

appropriate segregation. Sonapat being the gateway to the northern states and NCR being within 40 km from the facility makes the facility an ideal location as a distribution centre for any retail player. Distribution centre will have cold storage capacity of approximately 8000 MT, to provide integrated solutions, refrigerated vehicles will be attached to the facility ■

Infrastructure

ULA CFS Automates Processing

In our efforts to offer value-added services to the trade, we are pleased to announce the launch of ODeX, India's first online platform for shipping documentation, information and payments.

In our trial runs, it has already proven to be a much more accurate, a much faster and a more efficient way of preparing documentation and making payments.

Developed primarily in response to long-standing needs of the trade, ODeX connects various stakeholders in the import and export processes.

All stakeholders in the shipping industry can connect to ODeX, such as carriers, CFS, banks, CHAs and terminals. ODeX is truly the community exchange for everyone in this industry.

J M BAXI GROUP has been committed to implementing best practices globally accepted by the industry.

As part of its initiative for a better, more efficient and seamless process, J M BAXI GROUP and its affiliates have been extensively supporting ODeX through end-to-end integration with their ERP systems and processes.

This ensures

- Faster document release
- Management of secure payments
- Faster deliveries

Developed and designed by Esfera & Aster, a technology leader in logistics

solutions, ODeX makes shipping documentation fast and easy in four simple steps.

Currently ODeX is available for imports, but will soon be extended to exports.

The integration of systems for K Line and ULA CFS is complete and expected to go live soon.

The company is on the verge of starting a test run with key trade stakeholders.

The team has been meeting most of the CHAs, who will be the drivers for the success of ODeX. Their responses have been phenomenal and already over 1000 CHAs have registered to use this platform. Demonstrations and registration are almost done. The Bombay Custom House Agents Association (BCHAA) too has been pursuing the use of this platform with all its members.

ODeX primarily evolved from the need to solve documentation and payment challenges in shipping logistics.



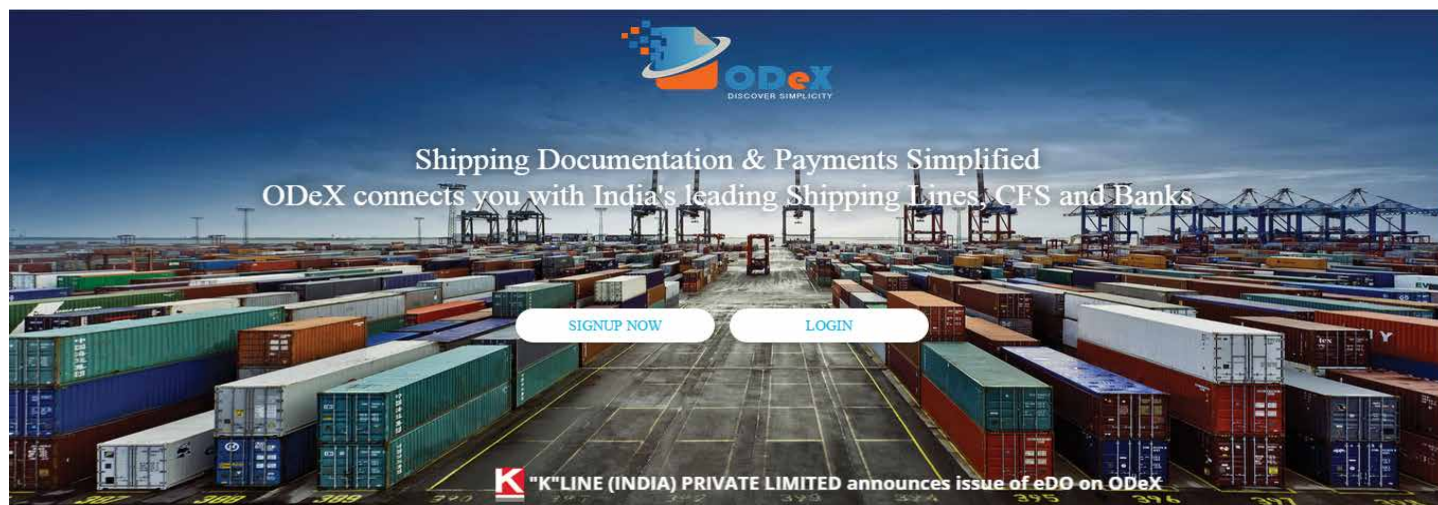
The current ocean shipping process involves

- + The import and export of cargo is controlled by the accompanying documents. These are held by various stakeholders like the shipping line and its agents and they are made available to the freight forwarder on paying for them.
- + Currently, most payments are made via either NEFT or Demand Draft.
- + On receipt of payment confirmation by the shipping line or its agent, the documents are issued to the representative of the CHA or freight forwarder for further processing, i.e. clearing etc.

The major challenges that the CHA and freight forwarder community face every day are

- + **Delays in payment confirmation**
There is sometimes a delay in a payment confirmation being received by the shipping line or its agent. This leads to a delay in issuing the documents and sometimes there are additional detention payments for the CHA.
- + **Multiple stakeholders**
CHA and agent personnel currently have to visit multiple stakeholders (shipping line, agent, CFS, etc.) in order to release a single document and for further processing. This often leads to additional time and resource costs for the CHA.

Infrastructure



AT A GLANCE

FEATURES

GET STARTED

Search

SEARCH

Near Real Time Payment & Document Release

The major challenges that the shipping line and its agents face are

+ Continual bank account verification
The shipping line and its agents have to deploy personnel to monitor bank accounts continually. This results in a loss of productive time for the accounts personnel of the organisation.

+ Document counter management
The shipping line and its agents have to maintain document issue counters. This leads to a continuous inflow of non-organisational staff into the shipping line's or agent's offices, and adds to the already expensive commercial office space costs.

ODeX can be used to

+ Generate invoices online
Invoices from both the shipping line and ULA CFS will be available and can be generated online for the CHA under one job order (each container / Bill of Lading can be considered as one job order). This will immensely reduce the waiting time and delay associated with any mistakes and the need to generate updated demand drafts.

+ Receive payments online
Payments are received securely with real-time payment confirmation through a corporate net banking system. This will be of immense benefit to the carriers. Today the demand draft and processing of cheques, takes anywhere between two and four working days for payments to be visible. With ODeX, payments are made accurately and they will be reflected in the recipient's accounts in real time or at the latest in the early morning if they are made after office hours.

+ Release electronic delivery orders
The process will integrate liner documentation with the CFS. Delivery orders can be generated online by the client at ULA CFS confirming receipt of the original BLs and payments. This will assist the trade immensely and carriers offering this service will be naturally preferred.

+ Generate electronic gate passes
One reason for delays is waiting for payment confirmation at the CFS. With this new payment process, gate passes can be generated online with a unique ID. Hence, there will be no more gate delays for the benefit of the trade.

+ File e Form 13
ODeX is also working closely to launch filing of e Form 13's directly from CHAs, at absolutely no cost to the trade.

ODeX enables CHAs to release their cargo faster with

- + Online payment management**
- + Online document issue**
- + Reduced verification and data entry requirements for document processing**

The benefits of ODeX are

- + Reduced processing time**
- + Improved work efficiency by CHA and shipping line personnel**
- + Improved tracking of documents issued and complete payment history**
- + Automated reconciliation provided for the principal by the shipping line and its agents**

At all times, all transactions remain secure and within the control of the user. Transactions are not allowed unless the user is logged on to the portal. A complete transaction history is available ■

Infrastructure

Century-old Lighthouse Shines Bright Again

The Old Lighthouse, an iconic structure that stands tall on the beach road in Vishakhapatnam was restored to its past glory by Visakha Container Terminal (VCT) partnering with Visakhapatnam Port Trust (VPT). **M.T. Krishna Babu, IAS**, Chairman, Visakhapatnam Port Trust, the Chief Guest for the event, inaugurated the Lighthouse in the presence of **C Rajendiran IRS**, Principal Commissioner of Customs, Vizag; **M.S Reddy IRS**, Joint Commissioner of Customs, Vizag; **Monish Row, Trustee**, VPT and Vice President of Vizag Chambers of Commerce; **Vir Kotak, Managing Director, Visakha Container Terminal**; while HODs of VPT, Customs, VCTPL, representative of Indian National Trust for Art and Cultural Heritage (INTACH) were present among others.

The lighthouse was not used after 1962 and after that the structure went into disrepair.



Vir. K.Kotak, Managing Director, VCT;
C.Rajendiran, IRS, Principal
Commissioner of Customs;
M.T.Krishna Babu, IAS, Chairman,
Visakhapatnam Port Trust;
P.V.Prasad, INTACH

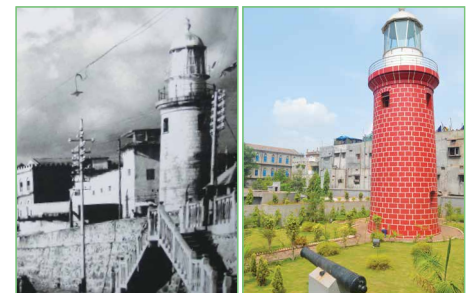
HISTORY OF LIGHTHOUSE

The first lighthouse in Visakhapatnam came up on Dolphin's Nose hill in 1874. In 1903 the government sanctioned the erection of a new lighthouse near Fort Flagstaff. The lighthouse was commissioned on the 16th December 1903. It was a gas fired operated

lighthouse with white dioptric light of 2nd order with brightness levels of 45000 candles flashed every 20 seconds. The light is visible from 12 nautical miles in clear weather.

RESTORATION EFFORTS BY VCT

Painstaking work over the last two years has made it possible to restore the lighthouse to its original glory. We engaged the services of a renowned conservation architect Vikas Dilawari to oversee the project. It has now a shining new dome, a beautiful gallery with a proper parapet. The structure itself is brick red reflecting its historical value. Premises surrounding the lighthouse that had become garbage dump for the neighboring community, has now been converted into lush green and well maintained gardens.



1903

2015

"Monuments and their architecture reflect the culture of the earlier generations. Any work to preserve our heritage is praiseworthy and we should thank Krishna B Kotak, Chairman, J M Baxi Group & VCTPL for taking up such noble activity"

- Krishna Babu
IAS, Chairman,
Visakhapatnam Port Trust

"As Vizagite's, we are proud that the restoration of this monument has been taken up, many thanks to Vir Kotak for such detailed work"

- Monish Row
Trustee,
Visakhapatnam

"We have to preserve our past to learn from it and build a strong future"

- C. Rajendiran
IRS, Principal Commissioner
of Customs, Vizag

"This is the first of its kind restoration work carried out ever in the port city meticulously as per the text book norms, it can be seen that even the nuts and bolts are custom made to give the light house the required authenticity"

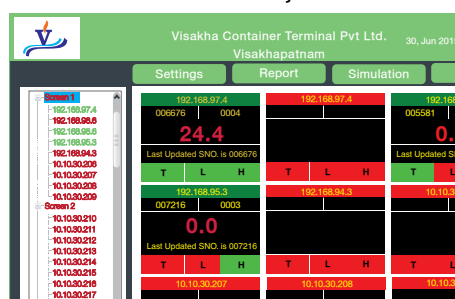
- P.V. Prasad
India National Trust
for Art and Cultural Heritage
(INTACH)

VCT has requested the Indian Navy to provide, **Two Surface to Air Guns**; that will be installed on the cemented pedestals which were originally made for the purpose, this is under active consideration by Indian Navy. VCT stands committed to continuously monitor and maintain the lighthouse for future generations to marvel this iconic structure ■

Infrastructure

VCT Goes Hi-tech

VCT's innovation continues... A new system called LMS has been introduced. This system captures the actual weight of every export and import container that is delivered by truck into the yard by rubber tyred gantry crane (RTGCs). The weight information is displayed in the operator cabin and transferred to the central server through a radio-frequency modem where it is mapped into the terminal operating system NAVIS. The planning department can then monitor container weights in real time. This system has been approved and certified by the Legal Metrology department of Weights and Measures. LMS has additional features and benefits like eccentric load measurement, a capacity of 50 metric tonnes, cabin display, overload and lack of rope output, PC and PLC connectivity and local



ENERGY MANAGEMENT SYSTEM (EMS)

capacity to log 3000 weight. VCT identified that energy saved is energy twice generated, hence a decision was made to monitor energy consumption automatically through systems and software to give better control. The energy monitoring system (EMS) was designed and customised by the engineering team and was developed by one of its vendors. The salient features of this system include:

- Monitoring and controlling the power consumption of the lights on all high masts by operating them from a central location.

Serial No	Device No	Lift No	Status	Weight	Load Status	Spreader	Lock Date Time
1	0004	005846	Y-T	UL		NA	24/06/2015 16:07:34
2	0004	005845	Y-T	20.4		NA	24/06/2015 16:05:53
3	0004	005844	Y-T	UL		NA	24/06/2015 16:04:29
4	0004	005843	Y-T	3.0		NA	24/06/2015 16:01:45
5	0004	005842	Y-T	4.8		NA	24/06/2015 16:00:00
6	0006	005285	Y-T	25.6		NA	24/06/2015 15:56:43
7	0004	005841	Y-T	UL		NA	24/06/2015 15:55:53
8	0004	005840	Y-T	UL		NA	24/06/2015 15:54:04
9	0004	005839	Y-T	UL		NA	24/06/2015 15:52:10
10	0006	005284	T-Y	25.8		NA	24/06/2015 15:51:46
11	0006	005283	Y-T	14.8		NA	24/06/2015 15:48:36
12	0004	005838	Y-T	UL		NA	24/06/2015 15:48:09
13	0004	005837	Y-T	UL		NA	24/06/2015 15:40:19
14	0004	005836	Y-T	UL		NA	24/06/2015 15:38:45
15	0004	005835	Y-T	UL		NA	24/06/2015 15:33:49
16	0004	005834	Y-T	UL		NA	24/06/2015 15:32:05
17	0004	005833	Y-T	UL		NA	24/06/2015 15:28:12
18	0004	005832	Y-T	UL		NA	24/06/2015 15:20:09
19	0004	005831	Y-T	UL		NA	24/06/2015 15:06:10

- The actual energy consumption of every reefer container is remotely monitored based on plug-in and plug-out times. *(This reefer energy monitoring system is the first of its kind in India.)*
- Remote monitoring and logging of the total power consumption by the terminal.
- Customised report generation.

SMART FUEL BOWSER

The smart fuel bowser, a mobile dispensing unit is used for serving fuel to all diesel vehicles and equipment. The main purpose of the smart fuel bowser is to save time and also to introduce accountability by eradicating pilferage. The regular dispensing systems can pump only 80 litres per minute whereas this bowser is customised and can dispense up to 250 litres per minute, which is much faster. The mobile smart fuel bowser is easy to operate and can shuttle easily for serving fuel anywhere in the terminal.

A flow meter was specially designed for this fuel bowser. This dispenser has features like GPRS for wireless communication. It has a card sensor so it will dispense diesel only to predefined and pre-registered vehicles with a RFID tag. The sensor identifies the vehicle and records the amount of fuel dispensed. It can store 1000 transactions in its memory and it has a wireless communication port and a preset key pad for setting the exact quantity of fuel to be dispensed.

This bowser has additional features like an electronic level gauge with an indicator, a foldable safety rail for the catwalk on top of the tank, a DGMS approved reverse camera, fuel management software with customised reports produced by the central control room, audio-visual reversing warning etc. This smart fuel bowser has been approved and certified by the relevant statutory authorities ■

We Connect

J M BAXI GROUP is helping relief efforts for Nepal

Nature cast its fury over Nepal without a single warning beacon, which was disastrously unfortunate. Countries all over the globe came forward to help. India, being the nearest neighbour had a bigger role to play. Many thanks are due to the large-hearted people here who gave all that they could, even to the extent of going without. Everyone felt and empathised with the victims but a few could actually build a physical and emotional connect with them. J M BAXI GROUP proved that it was surely one of them.



Eight vehicles with approximately 100 metric tonnes of cargo were sent to Kathmandu from Delhi and Mumbai via Sonauli border. These eight vehicles contained the acute emergency relief material for the unfortunate victims in Nepal. This relief material included everything required, such as blankets, medicines, drinking water, eatables etc. The logistics for these materials that could save lives in a catastrophic situation, was arranged by JMB with the purest intention of helping the people of Nepal to flourish again.

In collaboration with some big names like Bennett Coleman and Fabindia, the JMB provided free logistic support to those in urgent need. Bennett Coleman collected the material from hubs in the different locations. Simultaneously, Fabindia contributed towards arranging the

materials at Hyderabad, Bengaluru, Mumbai and Delhi. The supplies from Hyderabad and Bengaluru were carried by Indigo Airlines, in collaboration with Fabindia, to Delhi airport. The eight vehicles were sent by JMB to Delhi and Mumbai, from where they took the supplies to Kathmandu in Nepal. Since a major Nepal border crossing at Raxaul was closed due to this calamity, we had to divert the trucks to the border crossing in Sonauli. Vehicle clearance took approximately two days more than usual. The consignee, Nepal Rashtriya Marwari Parishad (NRMP) has deputed its clearing agent at the Sonauli border crossing for immediate clearance of the vehicles. However, since this was the only border crossing operational, there was acute congestion at the border and especially at the 25 km stretch before Kathmandu city. The vehicles had to wait for approximately 2 days. We even faced a little problem since the Nepalese government deputed an internal government body, NTL in Kathmandu to offload all relief material at its warehouse for onward delivery to aid camps. Two vehicles out of the eight trucks were wrongly offloaded by NTL in its warehouse. NTL further insisted that NRMP submit more documents before it could claim the material and distribute it. Thereafter, there was a meeting between NTL and NRMP to expedite the distribution. Finally, NTL permitted the cargo to be lifted from its warehouse and sent to the NRMP warehouse for immediate distribution to the aid camps by the NRMP's volunteers ■

TIMES CARES

Thank You For Your Support

Dear **TOI** readers and corporates, we are overwhelmed by your response to our appeal for helping Nepal's earthquake victims. A big 'thank you' for your compassion.

The first consignment of relief material ships out today. Here's an updated list of what you can donate:

- Solar lanterns, candles
- Well packed non-perishable foodstuff like biscuits, nutrition bars, milk powder
- Blankets
- Hygiene products such as soaps, disinfectants, band-aid, bandages, sanitary napkins etc
- ORS, glucose (powder only), band-aid, bandages
- Tents & tarpaulin sheets

Please do not bring in bottled water, clothes or perishable food items

All you need to do is ensure your contributions reach specific **Fabindia** stores (see addresses below). From there, these will be flown out by **IndiGo** and **Shree Airlines** (Kathmandu), or shipped by **JM Baxi**, for immediate distribution to remote areas where help is difficult to reach.

- N Block Market, GK-1
- Local Shopping Centre, Vasant Kunj
- Spice Mall, Noida
- Sector 15, Gurgaon

For queries and corporate contributions, please call 0-7042 422 334

The Times Of India on 30th April, 2015.

In Focus

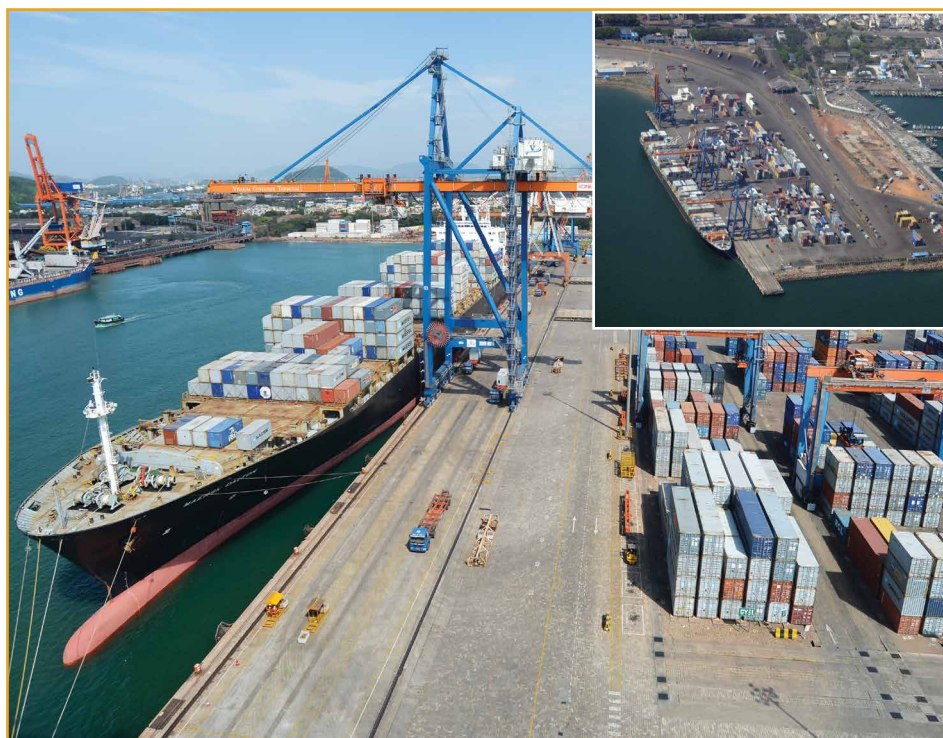
VISAKHAPATNAM - Smart City

(continued from issue IX)

Tech giant IBM has chosen Surat, Allahabad and Vizag among 16 global locations for its smart cities programme to help them address challenges like waste management, disaster management and citizen services. Under the programme, IBM will send a team of experts to each of the chosen cities where they will spend three weeks working closely with city municipal staff analysing data on the critical issues faced by local bodies.

Each consulting engagement under the 'Smarter Cities Challenge' has a commercial value of \$500,000. According to the head Corporate Citizenship and Corporate Affairs for IBM India, the initiative gives them the opportunity to work with city municipal corporations on diverse societal issues from transportation to disaster management and health care to waste management and they will share recommendations for how to become more effective in transforming citizen services. In India, Delhi, Ahmedabad, Pune and Chennai have received the Smart Cities Challenge grant in the past. These technology solutions will also help city operators to improve infrastructure by sharing information in real time across agencies and systems.

The government will float a special purpose vehicle (SPV) to raise funds for the project, which will require an estimated Rs 23,555 crore for various sectoral initiatives to achieve Smart City goals. As spelt out in the concept paper and mandated by the Centre, the civic administration will try to raise funds through unlocking the value of unutilised assets and charging users for the services it provides. The government has been able to raise funds from the World Bank and the Asian Development Bank for revamping the infrastructure.



According to its Regional Director for South and South East Asia, the United States Trade Development Agency, is facilitating companies from the US to plan and develop Visakhapatnam, Allahabad and Ajmer as smart cities. It will put in place a mission specific for the city, and the state government can expect proposals from American companies to flow in.

Considering the potential of the new state Andhra Pradesh, the government is studying the opportunities available to develop the state as an export hub. The government of Andhra Pradesh has chalked out various schemes in which Visakhapatnam is identified as the hub for IT, Srikakulam for pharmaceuticals and Vizianagaram for heavy minerals. A Skill Development Centre is being established in the Visakhapatnam Chennai Industrial Corridor. Work has already begun in setting up the Centre as a public-private partnership in which businesses like TATA and BIRLA are involved. Efforts are also being made to

explore the opportunities for increasing marine exports too. The government is aiming to make the 900 km long coastline of Andhra Pradesh into an International Maritime Centre.

VISAKHAPATNAM PORT: A STRATEGIC LOCATION

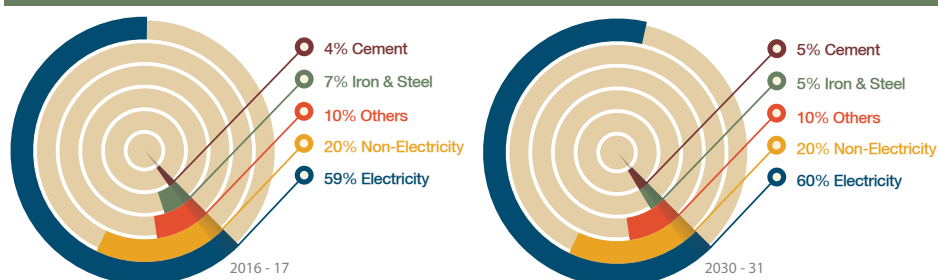
The city is located strategically and has great potential for more cargo movement via Visakha Container Terminal (VCT), which has its own advantages. This is in line with the nation's Look East Policy and now Act East Policy. The proposal to convert Vizag into a smart city with an approved metro project, international airport, knowledge centre, reefer hub and many other infrastructure facilities will open the gates for tapping into the potential market available within the hinterland of Visakhapatnam. VCT is the ideal gateway for this additional cargo movement ■

Weights & Measures

Coal Logistics: Integrating The Value Chain

– A Synoptic View
(continued from issue IX)

ESTIMATED COAL CONSUMPTION IN INDIA 2016-17 AND 2030-31



Source: India Energy Book 2012, (World Energy Council, Indian Member Committee)

The hinterland movement of coal has long since been plagued by crippling rake shortages and other cargo evacuation issues. At the power plant level, while blending of imported coal with domestic coal (high ash content and lower thermal efficiency) has been undertaken, plant-specific blending practices have not been properly benchmarked, with blending ratios showing wide variations that impinge on standard tariff fixation methods and formulas.

Overall, the net effect of these multiple-level operational dysfunctions and diseconomies has led to a sharp decline in the inventory available to power plants to below critical levels.

SCALE UP, SKILL UP

The far-reaching power sector reforms, especially setting up of ultra mega power plants (UMPPs), however, has set the ball rolling in the coal sector. The higher economies of scale in thermal power production for locations producing over 4,000 MW of power near the new deep-draft ports has set the agenda for the realignment of conventional rail-driven coal logistics.

The coastal UMPPs are required to be exclusively fed by imported coal feedstock received at the new deep-

draft terminals (Mundra, Gangavaram and Krishnapatinam) and further moved to nearby plant locations by captive conveyor or rail lines. The bulk of the fresh thermal power plant capacity set up in India over the past decade has thus, been port-based and has signalled far-reaching changes in coal logistics.

Few non-coastal UMPPs at (locations like Sasan and Thilaiya) located in the hinterland can get their feedstock from captive coal pitheads and taken together, this has brought about a tectonic shift in the underlying economics of coal logistics. The rail-based movement of imported coking coal from receiving ports to hinterland steel plants and of domestic coal produced by local coal mines (the latter accounts for two-thirds of total coal consumption) further adds to the formidable logistics challenge that remains to be addressed.

The new modalities of the Fuel Supply Agreements (FSAs) signed by Coal India with power utilities and other coal users coupled with the privatisation initiatives in the railway sector have kick-started important changes in how domestic coal logistics was to be re-conceived. Under the FSAs, both the coal producer and the coal purchasers become independent stakeholders

in reorganising the coal supply chain.

For instance, FSAs have rationalised the operational norms by infusing mutually binding commercial and financial obligations – in terms of contract performance with respect to the quantity and quality of coal, agreed delivery and payment schedules and benchmark pricing formulas. The onus of timely delivery of coal as per FSA obligations has shifted away from the railways to the coal miner, i.e. Coal India, making guaranteed delivery of contracted coal, as per FSA terms, its responsibility.

To ensure compliance with FSA obligations, Coal India is thus, working towards substantially increasing its production, even importing coal where its domestic output falls short in meeting FSA obligations. It is improving the quality of its coal through setting up new coal washeries and even setting up new supply lines by acquiring coal mining assets overseas to ensure long-term supply obligations etc.

The rail privatisation policy aims to open up new captive rail services to link user sites with ports and captive mines using new operational assets, such as the merry-go-round rail services, port rail sidings, stacking yards, mechanised coal handling facilities, etc. With new opportunities for integration of the coal supply chain, fresh opportunities have also cropped up for 3PL providers – i.e. the private bulk terminal operators, bulk cargo stevedores, freight rail operators, operators of bulk storage facilities etc.-to try to entrench themselves in the emerging collaborative space for integrated bulk logistics ■

Port Statistics

SHIPPING & CARGO PERFORMANCE

QUARTERLY UPDATES ON INDIAN MAJOR & MINOR PORTS (QTY IN MILLION TONNES)

JANUARY - MARCH 2015 (IVth QUARTER) / APRIL 2014 - MARCH 2015

AGRICULTURAL PRODUCTS

	SUGAR		SOYAMEAL		WHEAT		RICE		MAIZE	
	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15
No. of Ships called	7	38	4	13	2	24	10	49	10	40
Total Cargo Handled	0.328	1.010	0.140	0.376	0.034	1.831	0.148	1.530	0.141	1.991
Inbound	0.290	0.680	0.000	1.404	0.000	0.969	0.014	0.887	0.000	0.000
Outbound	0.038	0.331	0.140	0.376	0.034	1.439	0.134	1.515	0.141	1.991

FINISHED FERTILIZERS & FERTILIZER RAW MATERIALS

	UREA		SULPHUR		ROCK PHOSPHATE		DAP		MOP	
	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15
No. of Ships called	44	131	26	87	39	187	7	65	27	131
Total Cargo Handled	2.319	4.367	0.486	3.396	1.664	7.508	0.238	1.998	0.750	3.576
Inbound	0.000	1.945	0.350	1.461	1.664	4.216	0.238	1.604	0.750	3.576
Outbound	2.319	2.422	0.136	0.439	0.000	0.573	0.000	0.793	0.000	0.000

COAL

	THERMAL COAL		COKING COAL		MET COKE		PET COKE		ANTHRACITE COAL	
	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15
No. of Ships called	186	613	185	703	8	78	33	104	6	26
Total Cargo Handled	9.546	27.070	10.125	36.434	0.263	10.593	1.273	3.304	0.094	0.512
Inbound	2.750	7.507	9.982	36.284	0.263	1.234	1.150	1.533	0.094	0.512
Outbound	6.796	13.191	0.143	0.578	0.001	0.296	0.123	0.501	0.000	0.000

STEEL & RELATED ORES

	STEEL PRODUCTS		SCRAP METAL		CHROME		MAGNESIUM ORE		IRON ORE	
	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15
No. of Ships called	255	900	2	9	0	6	9	93	133	596
Total Cargo Handled	2.983	10.164	0.047	0.246	0.000	0.044	0.134	1.884	9.983	29.308
Inbound	1.877	5.854	0.047	0.114	0.000	0.203	0.134	4.566	7.517	14.902
Outbound	1.106	4.309	0.000	0.000	0.000	0.044	0.000	1.916	2.466	14.406

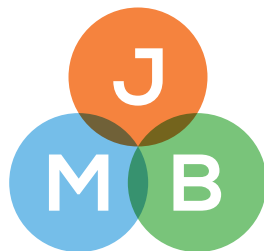
INDIAN PORT PERFORMANCE - Q4 & FY 2014-15 THROUGHPUT(QTY IN METRIC TONNES)

JANUARY - MARCH 2015 (IVth QUARTER) / APRIL 2014 - MARCH 2015 QTY IN MILLION TONNES)

Ports	Types of Ports	NO. OF SHIPS		LIQUID CARGO		BULK CARGO		CONTAINERS (TEUS)		TOTAL CARGO *	
		IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15	IV th Qtr	Apr'14-Mar'15
Kandla	■	301	839	1.921	5.366	4.037	11.734	-	-	6.514	18.179
Mumbai	■	497	2245	5.067	24.211	3.334	15.406	9,885	40,632	8.689	40.492
Nhava Sheva	■	128	512	1.326	4.054	0.221	0.800	1,118,569	4,464,256	1.547	4.854
Mormugao	■	127	478	0.275	1.152	3.359	11.582	-	-	3.810	13.239
Mangalore	■	288	1074	6.709	24.227	2.812	11.472	15,579	62,327	9.528	35.808
Cochin	■	178	504	4.194	14.808	0.371	5.777	85,667	366,356	4.572	20.793
Tuticorin	■	230	835	0.399	1.474	5.130	16.515	152,691	546,694	5.999	19.991
Chennai	■	266	1138	3.457	14.286	1.761	11.291	367,373	1,544,819	5.525	26.794
Ennore	■	204	813	1.004	3.662	5.978	30.290	-	-	7.032	34.479
Vishakhapatnam	■	393	1742	4.107	16.447	8.622	42.537	60,283	248,388	12.835	59.437
Paradip	■	405	1578	5.287	20.147	14.314	46.496	-	-	20.945	68.033
Haldia	■	155	1164	1.137	6.671	1.103	7.562	24,348	106,314	2.240	14.238
Kolkata	■	75	278	0.203	3.564	0.090	5.671	83,942	478,707	0.332	9.474
Gangavaram	■	57	288	-	-	3.991	17.035	-	-	3.991	17.035
Pipavav	■	145	380	0.123	0.336	1.806	18.688	201,007	793,599	1.929	19.034
Mundra	■	276	1193	5.052	20.607	12.479	43.031	643,235	2,661,686	17.685	64.489
Dahej	■	105	577	2.523	18.669	2.327	9.997	-	-	4.857	28.708
Hazira	■	34	136	0.156	0.851	0.418	3.393	49,696	154,456	0.574	4.248
Navlakhi	■	32	134	-	-	3.177	6.403	-	-	3.177	6.403
Kakinada	■	44	343	0.286	1.288	0.270	3.738	-	-	0.632	5.833
Total Vessel Calls at all ports		3,940	16,251	43.226	181.820	75.600	319.418	2,812,275	11,427,602	122.413	511.561

■ Major Port ■ Non-Major Port

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



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