J. M. BAXI GROUP

TIDINGS

ISSUE XIX

OCTOBER - DECEMBER 2017

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Newsletter Issue XIX

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J. M. BAXI GROUP

TIDINGS

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MV ASIATIC BAY berthing at Haldia International Container Terminal

* All maps are for representation purpose only

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From the
Quarter Deck

Dear Friends and Colleagues,
You may recall my sharing news and information in an earlier issue about our group company, Bliq, which imports and distributes beers and wines. It has been importing globally well-known brands, such as Tsingtao and Schneider Weisse, and more recently our own group brand, Thirsty, with its variants Happy and the soon to be launched Simona. And now Bliq has acquired Mumbai's first micro-brewery, the Barking Deer, which is located in the historic mill area of Lower Parel. As you may be aware, Oktoberfest is a massive annual beer festival that takes place in Bavaria in late September to early October. Bliq is proud to present the Super Happy Oktoberfest, featuring many of our beers, at our new micro-brewery itself. It will run throughout October, a slight deviation from the original but perhaps better suited to our weather. Please do come with your friends and family! Bring this issue to the Barking Deer and receive a flat 20% discount on your food bill as well as a host of exciting offers on the beverages. You are also welcome to share your photo and comments with us, which we will print in our next issue of Tidings.

The much awaited and discussed GST has been rolled out and all the stakeholders and participants are occupied in getting used to it and implementing it appropriately. We thank all our principals, clients and partners for having been exemplary in making all this work. I would also like to thank every colleague in our group who got involved and stayed committed to implementing this new way of working. The implementation of GST has once again shown that India and the world are fast moving into a digital age and a digital transactional environment. Global leaders such as Maersk, Amazon and several others are developing sophistication and speed into their digital delivery programmes. We are all familiar with the often-repeated statement that logistics is a part of the supply chain for all manufacturers, producers and consumers. Therefore, we are a part of the "blockchain". Our digital team have created Portall, a platform for the digital age. Our soft rollout has proven to be successful, regarding both the robustness of the architecture and the speed and capacity with which it operates. One of the unique parts of Portall is that it satisfies almost all the stated objectives of the Government of India: Digital India, ease of doing business, start-up India, made in India, and lower transaction and logistics costs in India. Let me say no more, please use it and then tell us.

The monsoons this year has been good, which is a great positive for the next six months of our financial year. As has been observed over the past several years, a good monsoon generally results in an increase of 1 to 2 percent growth in the GDP numbers. Automobile companies and farming equipment makers have been making many positive pronouncements. Furthermore, the last three months have also seen an increase in the rental and sale prices of properties. It, therefore, seems that the much-awaited turnaround may be beginning to happen. One of the areas that needs speeding up is the NPA (non-performing assets) of the banking sector. However, with the work already started, resolutions should lead to capital assets coming into production, thus adding to the GDP growth.

On the global shipping front, not only is consolidation taking place but also new orders for the 20,000+ TEU ships are being placed. The global trade numbers as yet do not show trends that can justify such confidence. However, we still see the top five lines pulling away from the rest of the shipping lines. On the tanker side, the last three months have seen a see-saw trend for ship rates as well as traffic movements. On the bulk carrier side, there was hardly any good news, as most major

trade lanes remain muted. The oil and gas exploration sector remains anaemic. One of the path-breaking developments has been the induction of ethane carriers for Reliance Industries to carry ethane from the US to India. Once again Reliance Industries is an inspiration to Indian companies and a torchbearer of the growing path-breaking globalisation of Indian companies.

The year 2017 will see the addition of almost 30 percent container terminal capacity. All these facilities are world class, starting with Ennore, Kandla, JNPT and Paradip. Now the ships and cargo had better come.

One of the often-quoted objectives of all the stakeholders in the EXIM chain has been to reduce the high logistics and transaction costs. Our terminals are now considered as some of the most modern and productive, and the cargo handling charges are the most competitive. However, vessel-related charges regrettably remain some of the highest in the world. Even higher are the railway freight charges, which are the single highest part of the logistics chain. All the stakeholders look forward to when this is suitably addressed. Studies have shown and proven that a 50 percent reduction in rail freight charges should be doable.

The festive season is just around the corner. The festivals of Dussehra and Diwali both celebrate triumph, joy and light. I wish you and your family a Happy Diwali, Merry Christmas and a Happy New Year ■

Krishna B. Kotak
Chairman - J M BAXI GROUP

Agency & Services

Boost For Cruise Tourism

The Honourable Minister of Shipping, Road Transport and Highways, Shri Nitin Gadkari, releasing 3 documents at the Cruise Roadshow at Mumbai on 8 August : 1) Cruise Terminals in India 2) India Sea Cruise Road Map 3) Mumbai Port SOP for Cruise Operations

The Government of India, under the stewardship of Shri Nitin Gadkari, Minister of Shipping, Road Transport and Highways, is making concerted attempts to attract cruise lines to India and strongly encouraged them to home base cruise ships at Indian ports. To this end, the Shipping Ministry organised a roadshow in Mumbai on 8 August under the banner "The Dawn of Cruise Tourism in India". The panel of speakers included the Shipping Minister, Secretaries from Shipping and Tourism and State Ministries, as well as Mr David Dingle, CBE, Chairman of Carnival UK, whom J M BAXI GROUP of companies represents at Indian ports It also included Mr Krishna Kotak, Chairman, J M BAXI GROUP.

As seen globally, one of the major characteristics of an attractive cruise destination is a customer-friendly and hassle-free logistical process for the embarking and disembarking of cruise passengers. This ease of process is essential as passengers begin and end a cruise holiday visiting destinations and tourist sites.

Mr Sanjay Bhatia, Chairman, Mumbai port, who also chairs the Indian Ports Association, has played a stellar role in infusing fresh impetus to cruise promotion in India and coordinating the various government agencies to streamline procedures and set up standard operating procedures, as well as easing the business of cruise tourism in India. He has outlined plans for new cruise terminals at Mumbai, Goa, Mangalore, Cochin and Chennai, which will be standalone and independent from other commercial shipping activities at these ports.

Mr David Dingle, CBE, Chairman, Carnival UK, welcomed the various steps and measures being introduced by the Indian authorities and highlighted the tremendous potential for developing cruise tourism in India. However, it was stated that a lot is required to be done by the authorities towards streamlining and rationalising port costs, which are extremely high in comparison to neighbouring and other cruise ports worldwide.

Mr Krishna Kotak, Chairman, J M BAXI GROUP of companies, was the only speaker from the private sector invited by the Government to speak on PPP (Public Private Partnership) in the cruise industry. It was highlighted that under the current leadership of the Shipping Minister, cruise vessels' calls had seen an upward trend from 101 calls during 2013–14 to 175 calls during 2016–17. He welcomed the steps being taken by the government and Mr Sanjay Bhatia, Chairman, Mumbai port, to promote cruise tourism at Indian ports. Regarding PPP in the development of cruise projects, it was highlighted that the partnership with the private sector must be one of mutual trust, respect and equal to both public as well as private participants, in essence, a win-win for all parties.

The cruise industry is responsible for economic growth in many countries, from the Caribbean to Europe and the Far East. The average employment generated by a cruise ship is one job for every 3–4 people. With the approximate spending of USD 100–125 per person at each port, a cruise ship with a capacity of 3,000 plus translates into enormous volumes per day. In 2016–17 about 192,000 persons embarked / disembarked at Indian ports and as per the international cruise consultants, Bermello & Ajamil, who are appointed by the Shipping Ministry to chart a blueprint for Indian cruise development. The country has the potential to grow to 1.5 million by 2031 and to 4 million by 2042 ■

Agency & Services

The MALABAR Naval Exercise 2017

INTERNATIONAL SOLIDARITY ON THE SEA : MALABAR 2017

JMB CHENNAI TEAM

Malabar 2017 is the latest in a continuing series of exercises that has grown in scope and complexity over the years to address the variety of shared threats to maritime security in the Indo-Asia - Pacific region.

The primary aim of this exercise amongst the three navies of India, U.S. and Japan was to increase the effectiveness of concerted operability and collaboration and to reinforce the strength and resilience in the mutual relationship in many areas, including maritime security operations.

The 21^{st} edition of the exercise – MALABAR 2017 was carried out by the naval forces of India, Japan and the USA in the Bay of Bengal, from 9^{th} to 14^{th} July 2017 off Chennai. 95 aircraft, 16 ships and 2 submarines from the three countries participated in the exercise that both sea and shore and were composed of included professional exchanges on carrier strike group operations, maritime patrol, reconnaissance operations, surface to surface and anti-submarine warfare.

Some of the drills included professional exchanges on carrier strike group operations, maritime patrol and reconnaissance, surface to surface and anti-submarine warfare, medical attendance and evacuation, damage control, explosive and ordnance disposal and helicopter operations.

JS SAZANAMI (DD113)

Some of the other events orchestrated were submarine familiarisation, air defence exercises, situational communication and search and rescue operations. Helicopter cross-deck evolutions, underway replenishments and gunnery exercises, liaison officer professional exchange and embarkations, photo exercises and VBSS exercise.

The Japan Maritime Self-Defence Force ships JS Izumo (DDH 183) and JS Sazanami (DD113) participated in the exercise which was carried out in Chennai. Various requirements of the Japanese navy such as pontoon, tug, launch boat, fenders and gangways were arranged for this prestigious call.

J. M. Baxi & Co. was privileged to have been selected as the Agent for the Japanese Navy in order to support and facilitate the success of the mammoth exercise.

J. M. Baxi & Co. had to liaise with the Japanese Navy, their logistics team, the Indian navy, Chennai Port authorities, CISF, Immigration, Local police and other statutory agencies as required to make the support and facilitation seamless and efficient ■

Logistics

BOXCO's Ongoing Association With IOCL Refinery Project

IOCL has always taken strong initiatives in the expansion of its refinery units on a regular basis which helps in protection of our environment and Distillate Yield Improvement Projects at Haldia Refinery (Aishwarya Project) is one such example. M/s Fabtech Projects and M/s Techno Process Equipments, two renowned ODC fabricators were awarded for delivery of their respective packages to IOCL refinery.

BOXCO Logistics which has a long history of being associated with IOCL Refinery Projects was once again awarded the challenge of executing multimodal transportation of 6 packages from both the shippers within a very short time span. Boxco's strength in continuous bagging of such high-profile projects, is its huge imported asset base like K25 Scheurle Make SPMTs, Goldhoffer Hydraulic Axles, and this inevitably proved to be the difference with other vendors. BOXCO Logistics is also registered as a Custom House Agent at Haldia Port and not many logistics service providers in the country can be compared to BOXCO Logistics when it comes to fulfilling of stringent qualifying criteria of PSU companies.

RECEIVING COKE FRACTIONATOR AT HALDIA PORT

M/s Fabtech Projects had fabricated the following packages in its Pune Works

- a. Coke Blowdown Tower – 27m x 5.87m x 5.78m & 130mt
- b. Absorber Section 1 – 23.31m x 2.73m x 2.765m & 38mt
- c. Absorber Section 2 – 25.95m x 4.5m x 4.5m & 93mt
- d. Absorber Section 3 – 7.1m x 5.88m x 5.73m & 35mt

M/s Techno Process Equipments had fabricated the following packages in its Ambernath Works

- a. Coke Fractionator – 48.71m x 5.415m x 5.5m & 224mt
- b. Amine Absorber – 23.53m x 3.49m x 3.86m & 149mt

Logistics

Transportation of the above packages to Mumbai Port was not feasible due to its odd dimensions and ongoing infrastructure developments of the city. So JNPT was zeroed on as the Load Port. However, there was only one vessel available at that particular window plying from West Coast to East Coast. So BOXCO had to be absolutely precise with its planning. Two separate operational teams were deployed at both the fabrication units to take care of en-route issues and match ETA of the vessel. Extensive civil works had to be carried out at Ambernath fabrication unit which involved demolition of the compound wall of a different company as a package as long as 49m was to be transported for the first time from there. BOXCO's operation team was busy with its expertise in preparing turning radius and engineering drawings and finally delivered the package at JNPT. Identifying JNPT as the load port was a masterstroke as port charges are very less compared to Mumbai Port which was highly appreciated by the client after completion of the project. After liasoning with vessel agents the packages were shipped to Haldia Port.

Separate challenges were awaited at Haldia. Haldia Port is known for its congestion and one important criterion was all the packages had to be delivered to IOCL Haldia Refinery on SPMTs. The arrangement of SPMTs, liasoning with vessel agents, completion of customs clearance had to be done simultaneously. Separate teams were deployed for coordination with statutory authorities and obtaining en-route permissions, as BOXCO could not let the cargo incur demurrage charges at the port. All the different activities were timed so perfectly that BOXCO could deliver the packages to IOCL Refinery site within one day of receiving them at the port.

BOXCO with its operational expertise had laid down another example of picture-perfect operations.

Fabtech Projects and Techno Process were extremely satisfied with our expertise and assured us continuous support in future assignments and our long list of experience of being the favoured service provider of IOCL Refinery goes on

FEEDING ODC PACKAGE UNDER HOOK @JNPT

BOXCO Again Successfully Moves Coke Drums For IOCL

COKE DRUM ENROUTE TO ADANI DAHEJ JETTY

IOCL is known to lay emphasis on infrastructure development and reduction of auto fuels for environment protection. Distillate Yield Improvement Project in Haldia Refinery is one such example. ISGEC was awarded delivery of Coke Drums from Dahej to IOCL Haldia Refinery and BOXCO Logistics was the chosen Logistics Service Provider.

Boxco has been a reliable partner for both ISGEC and IOCL as association with IOCL dates back to IOCL Paradip Refinery, IOCL Mathura Refinery, IOCL Baroda Refinery and IOCL Panipat Refinery. Boxco and ISGEC have always worked in unison for any major project where multimodal transportation is involved.

IOCL, being a PSU, had laid down some of the stringent criteria for transportation like owning SPMTs for transportation in Haldia Side, barges, Goldhoffer Hydraulic Axles and safety standards to be followed as per its own standards. Boxco is one of the rarest of logistics service provider in India to have owned all required assets for successful execution of IOCL Projects.

ISGEC fabricated 2 massive Coke Drums weighing 591mt each with dimensions of 41.7m length and 10.25m diameter. Our Scope of Work involved Delivery of 2 no of Coke Drums from ISGEC Works to IOCL Haldia Refinery which involved transportation by barge followed by vessel.

Transportation of an equipment

- Meticulous Planning and engineering
- Civil works from ISGEC Dahej Works to Adani Dahej Jetty
- Liasoning with Adani Dahej Port, Barge and Tug Master
- Roll On of the packages during low tide on Barge at Dahej Port
- Seamless co-ordination with Vessel Master/Shipping Agent at Mumbai Anchorage
- Liasoning with Vessel Agent for coastal custom clearance at Haldia
- Receiving the cargo on SPMTs and Transportation from Haldia Port to Site
- Co-ordinating with Agencies for obtaining electrical shut down
- Civil Works from Haldia Port to IOCL Haldia Refinery

Challenges

- Dahej Jetty is a tidal jetty and barging operation has to be very precise with alignment, mooring, ballasting, ramp placement, roll on during low tide
- Double Banking at Mumbai Anchorage involving lifting of the packages from barge using vessel's gears
- Shipping of the packages to Haldia Port and berthing of vessel in time as Haldia Port is which is always saddled with vessel congestion
- Major civil work en route and co-ordination with agencies for electrical shutdown so that both the activities are carried out simultaneously to prevent the cargo being stranded en route

Boxco with its efforts and due diligence successfully co-ordinated with all required statutory agencies to make sure that the cargo was delivered in time without any glitches.

Both ISGEC and IOCL were extremely satisfied with our work and assured us of continuous support in the future assignments and we wish to accomplish more projects of such magnitude and of national importance in the future

Infrastructure

AEO Certification: ICT&IPL

India launched its pilot Authorized Economic Operators Program (AEO) in August 2011 in harmony with the "SAFE Framework" developed by the World Customs Organization (WCO). India's Customs administration developed an AEO Program that includes various members in the international supply chain such as importers, exporters, warehouse owners, customs brokers, forwarders and carriers.

The objective of the AEO Program is to provide businesses with an internationally recognized quality mark indicating their commitment to security in the international supply chain. Those certified are also required to ensure that their customs procedures are efficient and compliant. Entities that receive an AEO status are considered a 'Secure' trader and a reliable trading partner.

सत्यमेव जयते

केंद्रीय उत्पाद एवं सीमा शुल्क बोर्ड
CENTRAL BOARD OF EXCISE AND CUSTOMS
वित्त मंत्रालय
MINISTRY OF FINANCE
भारत सरकार
GOVERNMENT OF INDIA

प्राधिकृत आर्थिक संचालक-प्रमाण-पत्र
AUTHORIZED ECONOMIC OPERATOR-LO CERTIFICATE (CUSTODIAN)

प्रमाण-पत्र संख्या Certificate Number: **INAACU5182C0F170**

कम्पनी का नाम: Name of Company: **M/s International Cargo Terminals & Infrastructure P. Ltd. Godrej Coliseum Office No. 801, 'C' Wing, Behind Everard Nagar, Off. Somaiya Hospital Road, Sion(E),Mumbai-400022**

AEO
भारतीय सीमा शुल्क
INDIAN CUSTOMS

अन्तर्राष्ट्रीय आपूर्ति श्रृंखला को सुरक्षित रखने हेतु आपकी प्रतिबद्धता का सम्मान करते हुए एवं डब्ल्यू.सी.ओ. के सेफ फ्रेमवर्क ऑफ स्टैंडर्ड के अनुसरण में सी.बी.ई.सी. के परिपत्र संख्या 33/2016-सीमा शुल्क, दिनांक 22.07.2016 के अन्तर्गत भारतीय सीमा शुल्क अपने प्राधिकृत आर्थिक संचालक (ए.ई.ओ.) कार्यक्रम में आपके प्रतिष्ठित संगठन को प्रमाणित करता है।
यह प्रमाण-पत्र **14.06.2022** तक वैध है।

In recognition and appreciation of your commitment to secure the international supply chain and in compliance with the WCO's SAFE Framework of Standards, Indian Customs certifies your esteemed organization in its Authorised Economic Operator (AEO) programme under CBEC Circular Number 33/2016-Customs, dated 22.07.2016.
This certificate is valid upto **14.06.2022**

स्थान Place : नई दिल्ली New Delhi
दिनांक Dated: 15.06.2017

(सुनील के सिन्हा/ Sunil K Sinha)
ए. ई. ओ. कार्यक्रम प्रबंधक
AEO Programme Manager

MICT has undergone the complete certification Audit and was granted the certification:

1. Inclusion of stringent requirements regarding business partner security, procedural security
2. Inclusion of authorized couriers and custodians in the AEO Program
3. Automatic disqualification on non-furnishing of the information by the applicant
4. Non-requirement of the compliance records of advocates directly employed by the applicant
5. Outreach of AEO Program by organizing workshops etc.
6. The time limit of 90 days should be reckoned from the date of furnishing of complete information
7. Regarding security seals, in case it is not possible to procure and use PAS / ISO 17712 seals for air consignments / courier consignments any international seal compatible with standards of PAS / ISO 17712 may be used. However, in case of maritime containerized cargo only PAS / ISO 17712 seals shall be used. The officers carrying out validations under AEO Programme should carefully ascertain this aspect

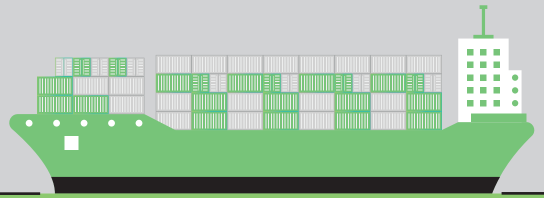
BENEFITS

- AEO Custodians shall be given the benefit of waiver of bank guarantee required under handling of cargo in customs Area Regulations 2009
- AEO Custodians shall also be given the facility of extension of approval under regulation 10(2) of the handling of cargo in Customs Area Regulation 2009 for longer period of ten years at a time
- The benefits may also include simplified customs procedure, declarations, etc. besides faster customs clearance of consignments of/for AEO status holders

Infrastructure

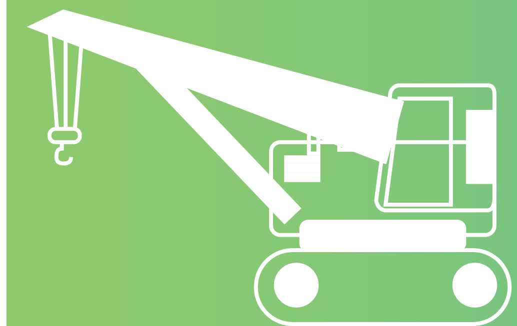
PICT Project

23
Hectares
of Land has been filled with approx.
2.25 Lakh
CBM of Earth + Sand fill



450 Meters
Berth is under construction

Dredging
1.2 Million
CBM of Soil Excavation



03
Harbour Mobile Cranes
100 Tons
capacity each

400 Meters
South Slope Protection

Construction of
3.2 Km
Railway Line including
2 Nos x 700 Meters of
In-plant Railway Siding

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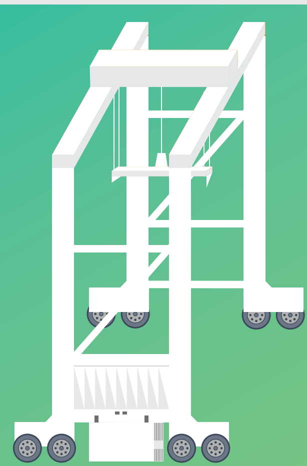
Infrastructure

Progress

590m L x 41m W of Transit Shed

83 Meters
North Diaphragm Wall



02
Rubber Tyred Gantry Cranes
41 Tons
each

Yard

Jetty

Infrastructure

MICT'S Specialised Cargo Stuffing For YAMAHA Bikes

MICT has been privileged to provide customised services to several clients, the latest one at that being Yamaha Bikes which are being exported to Bangladesh and Burma.

The exporters have introduced a customized lashing and chocking system for these bikes to make sure they reach their destination safely. A dedicated team from Pune performs this activity at the CFS. Every 40' container is stuffed with 48 bikes, 24 bikes on the ground and 24 bikes stacked above the first layer. For 20' container 20 bikes are stuffed, 10 on the ground and 10 stuffed above ground layer. A wooden base is prepared to hold bikes steady in containers tightly held with nylon strapping, solid wooden beams are placed on top of base layer topped with the second set of bikes ■

CARGO STORAGE

LASHING AND CHOCKING 1/1

CARGO PROTECTION

LASHING AND CHOCKING 2/2

Infrastructure

Direct Port Delivery Yard

Government of India's initiative for ***Ease of doing business*** and reduction in logistics cost Jawaharlal Nehru Custom House has facilitated many importers with permission to take direct delivery from the port. MICT participated in the supply chain by providing DPD yard at a distance of 20 KM from the port with 100 ground slots and a capacity to handle 2,000 teus per month which can further be enhanced to a capacity of 10,000 teus per month.

The facility has reach stackers to handle the containers and a team of professionals to provide prompt service to the customers. The yard is illuminated with high mast lights and a generator backup that ensures 100% uninterrupted electricity supply 24 X 7 and security surveillance ensures the security of the valuable cargo.

Furthermore, owning a license from FSSAI to store and handle the agricultural produce enables the customers to clear the cargo from Port under 'no use bond'. Sampling can eventually be done at the DPD yard prior to consumption or delivery to the end customers ■

ENTRY GATE

APPROACH ROAD

HANDLING EQUIPMENT

CONTAINER STACKING

Infrastructure

HICT Starts Fixed Window Berthing For Vessels

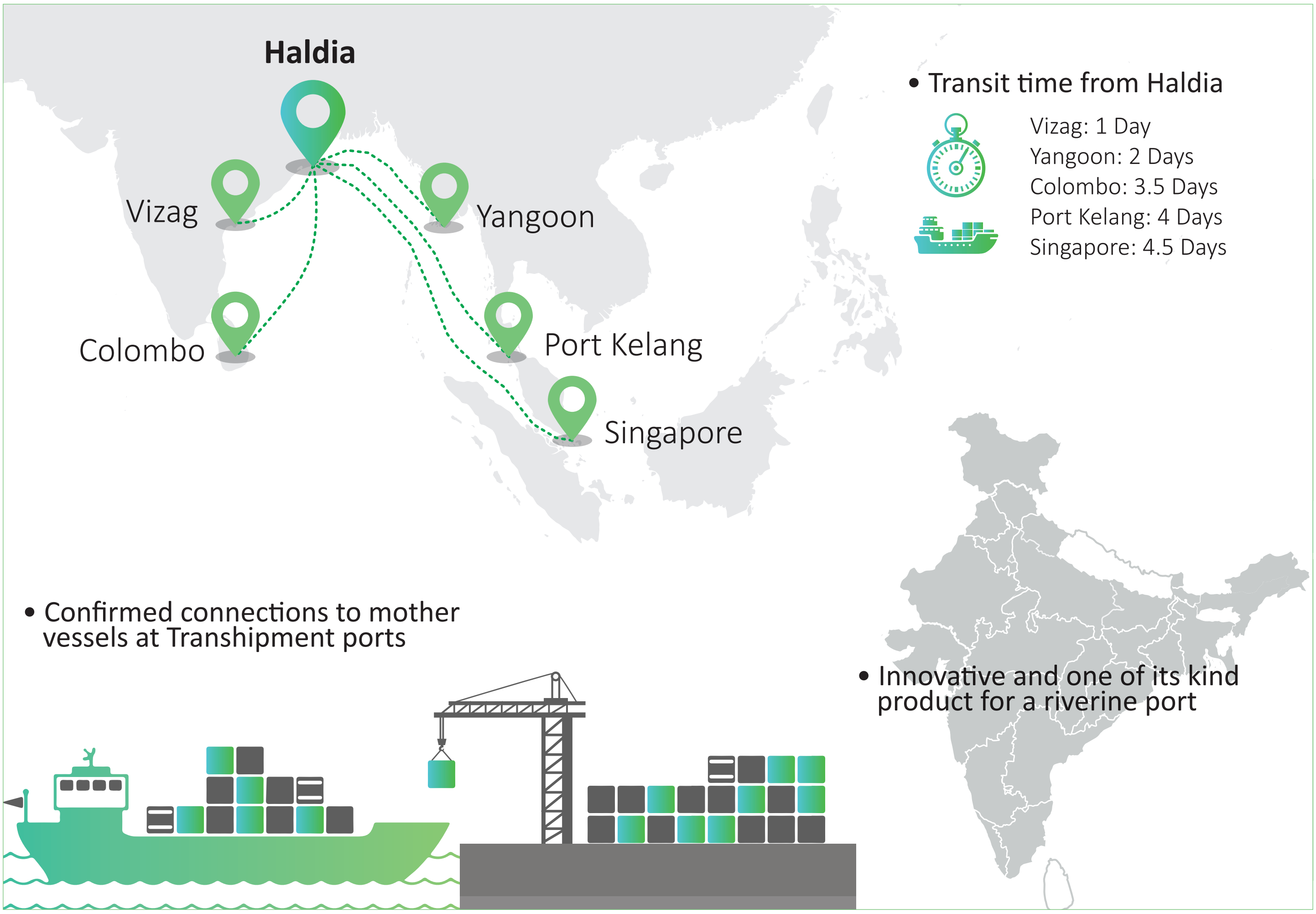
Fixed window system, albeit a very common practice worldwide, was challenging to implement at Kolkata and Haldia dock. This has caused lack of certainty in connecting mainline vessels from transhipment ports due to which esteemed exporters continued to experience a delay in the arrival of their goods at the destination point.

Eden channel (consistent and higher draft dedicated to Haldia port) strengthened by integrated container terminal operations by HICT has given the confidence to the Port authorities to consider the trade's demand to offer fixed berthing window facility.

On 25th August 2017, Haldia Dock authority announced an official policy for fixed window facility to benefit exporters, importers, shipping lines and feeder operators.

In order to streamline the arrival / sailing of container vessels and to reduce the turnaround time, 'Fixed Berthing Window' facility has been extended to container vessels which will exclusively call at Haldia Dock Complex provided they have a minimum exchange of 600 Teus per call. Feeder operators interested in this facility shall submit their proposals stating their preferred berthing window as well as expected volume.

Shipping lines with connectivity from Tran-shipment ports such as Vizag, Krishnapatnam, Colombo, Singapore and Port Klang will be keen to utilise this opportunity to avoid port demurrages as well as efficient use of available capacity on their mother vessels



In Conversation

Volvo: Heavy Haulage Trucking

Q: Volvo and JMB go back decades in their partnership...
Ans: Volvo Trucks is proud of its long-term partnership with J M Baxi Group - Boxco Logistics, which has given us the opportunity to bring out the best performance of our world-class, heavy haulage trucks and be part of the success stories of critical cargo movement in developing India's core sector. We have been able to efficaciously create and sustain set of loyal customers, and Boxco logistics is one of them

Q: What are your future plans of Volvo in India?
Ans: We are continually looking for ways to stay ahead and provide added value to our customers.

Volvo Trucks has a comprehensive range of offering, which satisfies the highest demands for reliability, ruggedness and long service life, and opens up a new dimension in transport efficiency. We continue to invest in product development and are on a constant lookout for new ways in which we can meet our customer's demands. For example, in 2015 we introduced for the very first time in India, a concept of 'Road Trains' which are currently deployed at a port in Andra Pradesh. The bottom-line for any new product introduction has always been improving upon our value proposition.

We strongly believe in the Indian growth story and are confident about the long-term prospects of the market beyond the current circumstances.

Q: What has been your growth story?
Ans: In 1998 Volvo Trucks embarked on a journey in the Indian CV industry with the Volvo's first 6x4 truck, the 'FH12 340' built at Hosakote, Bangalore. The truck set a new benchmark as it was the first high-performance truck from a leading European CV manufacturer. Subsequently, over the years, Volvo trucks continued to bring in many value-added services and products such as driver training, 24x7 support services, customized service agreements, site support, Fuelwatch etc.... that set new benchmarks in the CV industry and continued to drive progress. Again in 2010 Volvo Trucks launched the FH520 Powertronic Truck (then the most powerful and technologically advanced truck on the Indian road) in the over-dimensional cargo (ODC) segment. In 2011 FMX 440 8x4 mining tipper (Volvo's global truck) was introduced in EXCON at Bangalore in November. This truck specially targeted Construction and Mining applications and was adjudged the CV Technology demonstrator of the year 2012. Further, 2012 The innovative concept from Volvo the FM 480 10x4 Dump Truck with sturdy 5-axles has been a 'Game Changer' in the mining industry. Two years later, in 2014 Volvo introduced the most technologically advanced range of products in October, thereby pushing the limits on what premium trucks can offer, setting a new benchmark for transportation.

Mr Dinakar Boddapati has been with the company since March 2015 and has been in the leadership position. He has proven leadership and strong industry knowledge, wherein he has been a successful Business Head with 31 year track record of aggressively growing sales and improving profitability in heavy duty truck and capital equipment business operations in India. An effective leader with strengths in team building, strong customer orientation, strategic planning and interpersonal and communication skills and recognized as a highly competent Leader for enhancing P&L scenario and developing new markets.

We realized early on that our products deliver the best performance under challenging operating conditions and deliver much higher value to customers over its life cycle compared to other products in the market. However, back then the concept of TCO (total cost of ownership) & LCC (Life Cycle Costing) was seldom used and understood by the industry. It was a challenge initially to make customers realize the long-term benefits of deploying a Volvo solution, but slowly we made progress and our customers believed in us and supported us in achieving the success we talk about today. Our philosophy of providing "premium care for premium trucks" through our own service network differentiates our brand.

Q: Any new product offerings for JMB in order?
Ans: We believe in understanding the need of the customer and offering right solutions for the demanding needs. At Volvo, we have pioneered this process and have offered various solutions that were the first of its kind in the industry and thereby attaining the first mover advantage and tapping the demand

Q: How do you ensure safety? How does Accident Research Team (ART) function?
Ans: Since 1969 Volvo's Accident Research Team (ART) has investigated thousands of traffic accidents. ART's close collaboration with Volvo Trucks' product development has had a big impact in developing technical solutions

In Conversation

to increase safety and promulgate Volvo's safety philosophy through the global spread of Volvo Trucks'.

Our traffic environment is becoming more sophisticated and connected, and today many accidents occur in cities where the number of vehicles, pedestrians, and cyclists are constantly increasing. There is a limit to what we as a vehicle manufacturer can do on our own. It then becomes increasingly important to have comprehensive collaboration between different players.

90 percent of traffic accidents are attributed to human error, and often the source of errors can be something small that is often overlooked. A brief distraction or slight discomfort –can be enough to cause a serious accident. From the driver's seat, there are a number of things in your control that can have a big impact on the way you drive and your level of safety. Anything that distracts or interferes with the driver's concentration is a potential safety hazard.

Safety is in our DNA and that clearly emerges in the design expression of both the exterior and interior of our cabs.

Q: How do you use technology for your customers' benefit?

Ans: We are committed to customer's profitability over the life cycle of our products; hence we always endeavor to create value for our customers.

With Volvo Telematics solution – "Dynafleet Online" which is introduced with new platform trucks, enabled for "Fuel & environment" and "Positioning" services, customers can have more control on their fleet performance and together with Volvo Trucks Driver Training can work towards improving their overall fuel consumption and operational efficiency.

Q: Any initiative to be more environment friendly? & Now that BS3 has been scrapped, what are your plans with BS4?

Ans: Environmental care has been one of our core values since the 1970s. As we see it, no single innovation or energy source is going to solve everything. As per MoRTH guidelines, we have transitioned all our products to meet BSIV emission norms. There exists only a 3-year window before BS-VI norms kick in. So our long-term strategy in India is not driven by BS-IV alone.

Volvo Trucks participates actively in the development of alternative fuels. We are focusing primarily on alternatives that meet the toughest standards in terms of both high energy efficiency and low environmental impact

The possibility to use alternative fuels, however, depends on a lot of local parameters such as government subsidies, but also on the fuel quality and operating conditions. For India, we are currently evaluating the different options and will come with what we think is the right proposal. Since the 70's we have decreased the emission of pollutants from our trucks by 90% and fuel consumption by 40%.

Q: How do you plan to bring India to the global level?

Ans: We offer technologically advanced trucks which offer the best in class uptime, productivity, fuel efficiency with minimal total operational costs and thus enhance customer's profitability.

Being the first European manufacturer to enter the market, we have been a leader in the true sense and continue to Drive Progress for the industry by bringing in technology to India much ahead of time, thereby forcing the competition to follow.

Q: Any innovations in driver trainings?

Ans: Driver productivity is the key element in transport operations. Therefore, even before we rolled out our first truck in India, we had set up the first of its kind driver training center in Bangalore. Since then Volvo driver training center has trained over 55,000 CV drivers. Our CTC offers both onsite training for Volvo tipper customers and training in Bangalore for Volvo tractors and buses.

With our technologically advanced range of products, we also have special training for the I-Shift vehicles and a Fuel Efficiency Package which includes training the drivers on adopting driving methods that improve fuel economy and create awareness among the drivers on the importance of saving fuel. Through our soon to be introduced telematics system gateway, Dynafleet Online we would be able to offer focused driver advisory programmes on improving fleet uptime, efficiency, and driver productivity ■

Weights & Measures

Deciphering INDIA's Coal Demand Dynamics

India's coal imports have traditionally sought to satiate the humungous consumption appetite for this fossil fuel by user industries - thermal power plants, steel, cement, fertiliser, etc. that have seen rapid growth, from low threshold levels in the past. Growth of consumption demand for coal, as also coal import volumes, have surged and been quite substantial at about over 800 million tonnes. India's coal imports had peaked in 2014-15, when it stood at a high of 217.7 MT and worth over Rs 1 trillion, almost making up a quarter of India's total coal consumption. However, the quantum of coal imports has more recently, begun to shrink, despite increasing domestic coal consumption. In fact, India's coal consumption has been the highest in the world in 2014 and still growing higher at a fast rate of 11.1 percent, as per 2015 edition of the BP Statistical Review of World Energy. The report noted that average global consumption of coal, in contrast, grew only by 0.4 percent and was lower outside the OECD countries, at just 1.1 percent.

COAL DEMAND Base, High and Low Coal scenarios till 2020

Scenario	Total coal required (MT)	Domestic supply (MT)	Total imports (MT)	Comments
Base	1228	929	299	Imports proportionate to existing ratio
High coal	1291	1225	67	End all imports except coking coal
Low coal	1139	868	272	Conditional upon demand side limitations and continued imports

Source: Brookings Institute study (March 2016) upon demand side

To be sure, India's coal imports have been declining in the last three years. After attaining its peak level in 2014-15 at 217.78 million tonnes, it has declined to 203.95 million tonnes in 2015-16 and further shrunken to 190.95 million tonnes in 2016-17. A number of factors have been impacting India's coal import volumes, among them - the main one being the economic viability of sustained large-scale import of coal given its high global price. The price deterrent is particularly evident for India, as substantial shipping and logistics costs to end users make it even less competitive to import. Higher landed prices of thermal coal is also unviable for the coal users, as the largely government-controlled thermal power sector, also the largest of thermal coal user, is governed by regulated tariff and endemically suffers from an inefficient generation of power at low plant load factor (PLF). This is giving rise to a number of mixed trade and policy signals - including from the government, international coal suppliers, coal user industries and other stakeholders like Coal India, the state monopoly in domestic coal and largest coal producer in the world.

Import of Coal & Products - 2011 - 17 (in million tonnes)

Coal	2011-12	2012-13	2013-14	2014-15	2015-16 **	2016-17*
Coking Coal	31.8	35.56	36.87	43.72	43.5	5.83
Non-Coking Coal	71.05	110.23	129.99	174.07	156.38	29.26
Total Coal Import	102.85	145.79	166.86	217.78	199.88	35.09
Coke	2.37	3.08	4.17	3.29	--	0.8

*Source: Ministry of Coal *Import up to May, 2016; ** Provisional*

India's economic case for coal imports has been fairly well established since long. India's domestic coal production had lagged behind the growth rate in coal consumption demand - both at initial low thresholds of consumption in the past as also at substantially higher consumption level. For instance, India has a large fleet of coal-fired power plants and since 2011, the power generation capacity has increased from 100 GW, and now crossed the 300-GW mark, including 42 GW of renewable energy sources, i.e. solar and wind. India's total power generation capacity was 3,03,118.21 MW as on June 30, 2016, which includes 42,848.43 MW of non-conventional energy production, approaching 165 GW.

The persistent demand-supply gap of coal apart, a key driver of country's coal imports have also been necessitated by the lower thermal efficiency of domestic coal, as also high ash content of domestic thermal coal, that present new environmental challenges. Diseconomies in "pit-hole to plant" logistics in India - both in terms of cost and transit times - large quantities of domestic coal having to be moved by rail or coastal ships, - further erode end user advantages in domestic coal.

Restructuring Coal Demand

Over the past few years, a comprehensive policy effort is being underway to substantially transform and improve the working of the domestic coal sector. Raising the level of domestic coal output by Coal India and its subsidiaries (the target output fixed at 660 million tonnes for 2017-18 had been lowered to 600 million tonnes, due to poor offtake by the users) improving the quality of delivered coal through coal beneficiation (by adding on new coal washery facilities. Coal India and Bharat Coking Coal for instance, have recently agreed to set up 12 new coking coal washeries by 2019-2020) and revamping the conventional coal distribution system - from the erstwhile discretionary system of allocating coal linkages to now signing long-term Fuel Supply Agreements (FSAs) , following contractual bdding, incorporating timely delivery clause, at the user location - now form an important element of the sectoral reform exercise. Besides, deliberate structuring of the domestic coal demand - in terms of differentiating sourcing of coal by the hinterland coal users through Coal India Ltd. and coastal ultra mega thermal power plants from overseas suppliers, have helped optimise the distribution system, endemically affected by the poor railway network and timely rake availability.

Further as a part of energy security and environmental concerns on reducing the carbon footprint of the economy, an "energy mix" policy that seeks to tap and encourage fresh non-fossil based generation of electricity, through investments in solar and wind power projects have been initiated. Even while initial estimates of growth in coal consumption and quantum coal imports by India had been somewhat overstated; given the rapid-fire growth of private power sector and its substantial dependence on coal, relative advantages in terms of availability and price, coal will continue to play a significant role.

Indian Coal: Poor thermal efficiency and high ash content

Many of India's coal-based power plants are way below global standards in efficiency and several of them violate air pollution norms and are struggling to dispose of fly ash generated by them, a study by a leading NGO working in the environment sector has claimed. Centre for Science and Environment (CSE), in its two-year-long study 'Heat in Power', analysed and rated 47 coal-based thermal power plants on nearly 60 environmental and energy parameters and found that the sector scores poorly overall. The study claimed the average efficiency of the plants, it assessed, was 32.8 percent, one of the lowest among major coal-based power producing countries. It claimed that average CO_2 emission was 1.08 kg per kWh, 14% higher than that of China. The study had found that plants were operating at 60-70% capacity only and if capacity utilisation is improved, the sector can meet additional power requirement without emphasising too much on building new plants.

Neither the gap between demand and supply of coal, can be bridged completely, as domestic availability particularly coking coal and demand from the large coastal power plants designed on imported coal feedstock will continue to keep importing coal.

India's problems on coal front are however, largely vitiated by a number of supply-side issues. The international coal trade too has been experiencing great deal of churn, with the development of natural gas and other non-conventional sources of energy. The upcycle in the resources market, had further led to international coal prices peaking to an unrealistically high level of over USD 140 per short ton in 2011 while coking coal prices have shot up to USD 200 per tonne. These developments invited varied industry responses leading to industry and market consolidation and renewed global interest in coal, including by major users like China and India. In India, coal users have sought to reinvent their sourcing and trading strategies, including exploring new investment opportunities in coal mining overseas, Essar Group currently is venturing into Mozambique for hard coal and the Adani Group is expected to start work on its $16.5 billion Carmichael coal project in Australia. While these overseas forays are seeking to address the long-term supply issues, in the near term, India is seeking to also broad base its coal imports by tapping into more supply sources, to supplement major ones like Australia, Indonesia and South Africa.

One of the major factors that has affected the Indian coal buyers is the freight rates. Now with the freight rates so low, traders are trying out different coals from different origins, including long-haul sources like the US and South America. As a result of Columbian coal too has of late made inroads into the Indian market, as it's cheaper compared to the South African coal. While India's dependence on imports is particularly heavy on coking coal, which is an important ingredient in the steel-making process, there are signs of new trade being firmed up in pet coke as well from the US Gulf ■

Port Statistics

SHIPPING & CARGO PERFORMANCE

QUARTERLY UPDATES ON INDIAN MAJOR & MINOR PORTS (QTY IN MILLION TONNES)
APRIL - JUNE 2017 (Ist QUARTER) 2017 - 2018 / APRIL - JUNE 2016 (Ist QUARTER) 2016 - 2017 (QTY IN MT)

AGRICULTURAL PRODUCTS

	SUGAR		SOYAMEAL		WHEAT		RICE		MAIZE	
	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16
No. of Ships called	31	17	12	2	15	1	32	25	0	0
Total Cargo Handled	0.818	0.394	0.276	0.059	0.674	0.024	0.709	0.629	0.000	0.000
Import	0.572	0.141	0.060	0.050	0.674	0.024	0.030	0.000	0.000	0.000
Export	0.246	0.253	0.216	0.009	0.000	0.000	0.679	0.629	0.000	0.000

FINISHED FERTILIZERS & FERTILIZER RAW MATERIALS

	UREA		SULPHUR		ROCK PHOSPHATE		DAP		MOP	
	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16
No. of Ships called	39	37	16	18	60	32	21	38	44	10
Total Cargo Handled	1.643	1.526	0.389	0.409	2.311	1.430	0.963	1.470	1.355	0.230
Import	1.643	1.526	0.265	0.252	2.311	1.430	0.963	1.470	1.335	0.230
Export	0.000	0.000	0.124	0.157	0.000	0.000	0.000	0.000	0.020	0.000

COAL

	THERMAL COAL		COKING COAL		MET COKE		PET COKE		ANTHRACITE COAL	
	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16
No. of Ships called	230	248	202	165	36	22	72	57	14	10
Total Cargo Handled	12.595	13.144	10.705	9.834	0.762	0.720	2.844	20.679	0.412	0.230
Import	6.267	6.455	10.705	9.786	0.703	0.720	2.746	20.494	0.412	0.230
Export	6.628	6.689	0.000	0.048	0.059	0.000	0.098	0.185	0.000	0.000

STEEL & RELATED ORES

	STEEL PRODUCTS		SCRAP METAL		CHROME		IRON ORE		IRON ORE	
	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16
No. of Ships called	309	169	3	6	4	4	37	24	307	142
Total Cargo Handled	3.530	2.558	0.072	0.153	0.078	0.103	0.826	0.500	21.875	7.793
Import	1.523	1.559	0.072	0.153	0.000	0.022	0.826	0.500	4.887	2.353
Export	2.007	0.999	0.000	0.000	0.078	0.081	0.000	0.000	16.988	5.440

INDIAN PORT PERFORMANCE - Q1 & FY 2017 - 18 THROUGHPUT (QTY IN METRIC TONNES)

APRIL - JUNE 2017 (Ist QUARTER) 2017 - 2018 / APRIL - JUNE 2016 (Ist QUARTER) 2016 - 2017 (QTY IN MT)

Ports	Types of Ports	NO. OF SHIPS		LIQUID CARGO		BULK CARGO		CONTAINERS (TEUS)		TOTAL CARGO *	
		Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16	Ist Qtr'17	Ist Qtr'16
Kandla	Major Port	396	372	3.141	3.056	5.880	4.888	32,132	-	9.021	7.944
Mumbai	Major Port	500	485	6.461	6.421	3.396	1.797	12,851	11,060	9.857	8.218
Nhava Sheva	Major Port	187	191	1.738	1.661	2.570	0.256	1,208,946	1,027,052	4.308	1.917
Mormugao	Major Port	179	181	0.268	0.323	6.508	6.379	-	-	6.776	6.702
Mangalore	Major Port	348	345	6.736	6.053	3.429	2.607	30,535	18,096	10.165	8.660
Cochin	Major Port	177	169	5.194	3.877	0.344	0.404	135,783	119,871	5.538	4.281
Tuticorin	Major Port	234	277	0.396	0.406	4.915	5.941	166,316	161,986	5.311	6.347
Chennai	Major Port	241	269	3.946	3.777	1.311	2.252	393,598	373,948	5.257	6.029
Ennore	Major Port	211	225	1.292	1.176	6.559	6.427	-	-	7.851	7.603
Vishakhapatnam	Major Port	383	205	3.797	2.102	9.185	3.150	91,350	87,448	12.982	5.252
Paradip	Major Port	473	426	0.000	7.370	16.929	15.383	1,200	-	16.929	22.753
Haldia	Major Port	493	432	3.174	2.495	5.017	4.157	34,000	22,595	8.191	6.652
Kolkata	Major Port	92	68	0.320	0.232	0.001	0.001	154,965	164,689	0.321	0.233
Gangavaram	Non-Major Port	67	18	0.000	0.000	4.023	1.564	-	-	4.023	1.564
Pipavav	Non-Major Port	125	122	0.231	0.143	1.613	1.488	165,291	171,742	1.844	1.631
Mundra	Non-Major Port	743	760	14.345	6.589	14.345	10.649	1,002,581	837,765	28.690	17.238
Dahej	Non-Major Port	195	158	5.010	6.395	5.010	1.776	-	-	10.020	8.171
Hazira	Non-Major Port	180	22	0.369	0.123	1.369	0.313	110,216	88,086	1.738	0.436
Navlakhi	Non-Major Port	0	33	0.000	0.000	2.344	1.716	-	-	2.344	1.716
Kakinada	Non-Major Port	224	179	0.755	0.586	2.822	2.689	-	-	3.577	3.275
Total Vessel Calls at all ports		**5448**	**4937**	**57.173**	**52.785**	**97.570**	**73.837**	**1,328,237**	**3,084,338**	**154.743**	**126.622**

■ Major Port ■ Non-Major Port

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

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