

J. M. BAXI GROUP

# TIDINGS

ISSUE XVIII

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06

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Handles Over-  
Dimensional Modules  
For L&T MFF At  
KATTUPALLI*

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J. M. BAXI GROUP

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M.V. ARTAM berthing on  
12<sup>th</sup> June 2017 at Kandla  
International Container  
Terminal

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\* All maps are for representation purpose only

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## From the Quarter Deck

**D**ear Friends and Colleagues, As we begin to get into the second half of 2017, one can't help but remain a little breathless at the speed of events in the first six months. The speed of the events referred to are global events. To start with, the kingdom of Qatar has been sanctioned by Saudi Arabia, Bahrain and the UAE. The PM of the UK, Theresa May, called for a snap poll to strengthen her position for the impending Brexit, but ended up losing her party's majority in the parliament. President Trump remains under strong scrutiny but continues to battle ahead. The EU remains under pressure with the imminent Brexit and some of its member countries are yet to achieve financial stability. The bright spot was the emphatic election of President Macron in France. Amidst these dramatic occurrences, the prices of main industrial growth driving commodities, such as crude oil and iron ore, have shown signs of stability and some firmness. The constituents of BRICS, almost 40% of the global population, have emerged well, especially Russia and India. Additionally, as per various commentators, India seems to continue its push to a better position.

This column has said in the past (in previous TIDINGS issue XVII, about GST and the Non-Performing assets of Indian Banks), GST is now a reality as of 1<sup>st</sup> July 2017. By the time you are reading this, a single Goods and Services tax will be uniformly applicable across India, instead of a state-wide non-uniform regime. But, of course, this a massive change will come with its own set of challenges, such as processes, procedures, systems, training of people, etc. However, we endeavour to be proactively prepared and invest a fair amount of time and money to try and ensure not only our compliance but also to be able to assist our principals and clients to navigate this crucial settling-down time. The amounts are not small and, with the wafer-thin margins that all of us in the eco

system work with, none of us can afford mistakes.

The Government of India and the Reserve Bank of India are taking steps to begin resolving the massive issue of non-performing assets. Twelve large and mid-sized companies have been put on a fast track for initiating the process. It is hoped that the momentum created from this will lead to increasing resolutions, which in turn should lead to a resumption of a healthy lending and investment cycle.

On the shipping front, starting with container shipping, global consolidation is continuing. Maersk and Hamburg Sud, Hapag-Lloyd and UASC and the NYK, MOL, K-Line merged container business called ONE. And there are rumors that more M & A will happen.

The 20,000 TEU ships are easing into various services and replacing the so called "smaller" ships to other routes. From India's perspective, this may end up proving to be a great opportunity as ship owners are deploying some of their larger surplus tonnage to India. India is seeing routes, such as Middle East, East Coast Africa and South East Asia trades routes, growing substantively.

On a global basis, bulk carriers are showing intermittent signs of stabilising but until now not much of stability is seen. A similar scene is playing out in the tankers market as well. The offshore oil and gas shipping niche seems to be in a free fall with all classes of ships, crafts and rigs in lay ups.

It was, thus, heartening to observe that Reliance BP have committed to invest at least RS 40,000 crores in the various parts of exploration and developmental activities in the Indian oil and gas field. Such developments seem to point to an inflection point of expected growth in the immediate future.



In our group of companies, we remain relentlessly focused on:

- Principal and client value accretiveness
- Productivity, efficiency and cost consciousness
- To be a holistic solutions provider
- A digital and technology leader

It is with some amount of gratification that we can report steady progress of our various activities, locations and verticals. Our services business, including the ship agency activity, is seeing steady growth and various of our principals and customers have indicated a likely growth in the coming six to eight months. Furthermore, DIABOS continues to strive to achieve not only a market share but, more importantly, a technology and efficiency lead. The past three months has seen our terminals continue to grow in volume. Most importantly, KICT (Kandla) is working hard to grow volumes and provide efficient and effective services to ship owners and the trade.

Our logistics vertical soldiers ahead, whilst our project logistics and transportation division seeks new improved goals and targets. The BOXCOWORLD forwarding business is seeing a robust and committed growth and success.

Once again, India hopes and awaits a normal or, hopefully, good monsoon. As all factors are normal or positive, it would not be surprising if India could end the financial year 2017-18 with a GDP growth of 8%+. I am sure each and every one of you will join me in hoping for the same ■

**Krishna B. Kotak**

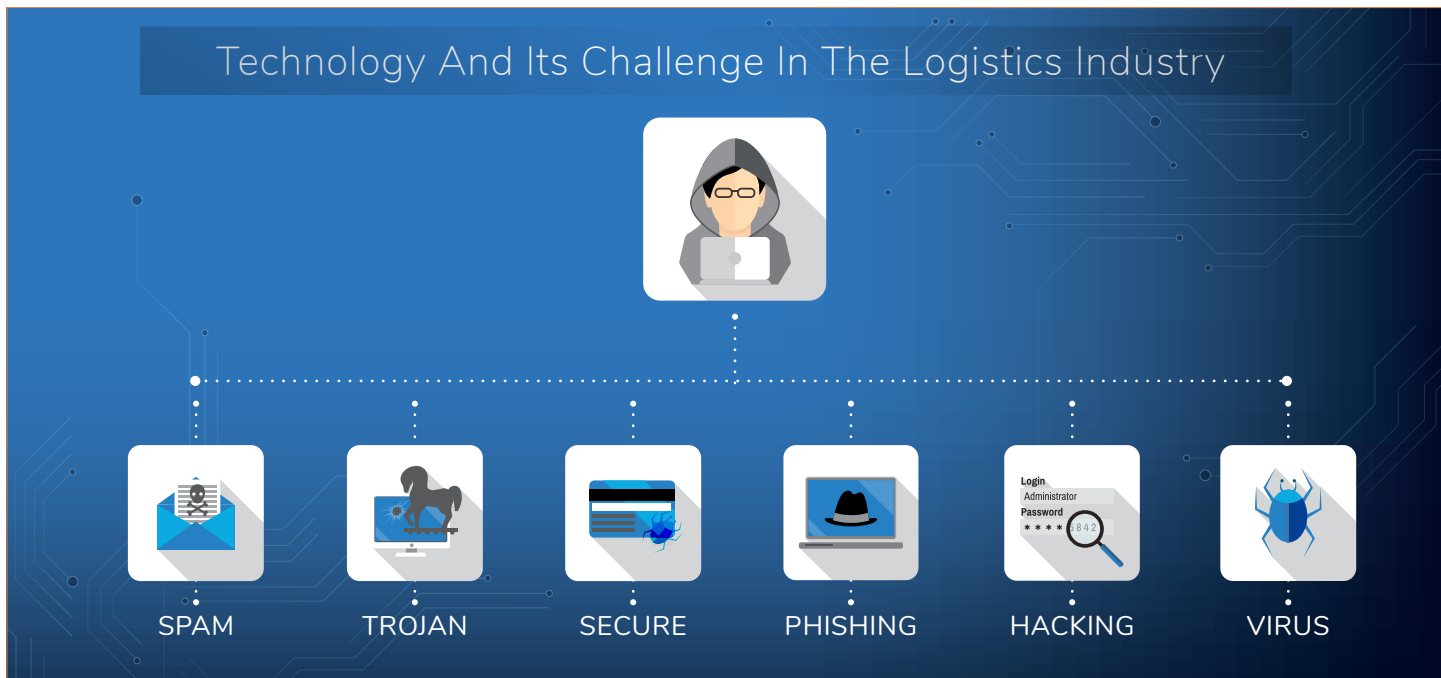
**Chairman - J M BAXI GROUP**





## Agency & Services

# Technology And Its Challenge In The Logistics Industry



Shipping industry has started relying on technology for processing a large amount of data for quick solutions; issuance of automated e – Bills of Lading, automated systems for operating container terminals, track and trace systems etc. The storing, processing and transferring of data brings in great risks along with indirect costs such as loss of a physical asset or a system due to a cyber-attack, data retrieval, penalties for failing contractual confidentiality obligation, insurance costs and legal costs which can be crippling for organizations.

In 2011, the system of Port of Antwerp was attacked by hackers to track containers that concealed their illegal cargo to protect it from the authorities. The enterprise involved infection of the IT system, capturing passwords of port employees and is estimated to have been continued for almost two years.

In another incident, an international shipping company operating worldwide had fallen prey to high tech pirates who, instead of holding ships and crew hostage for indefinite periods, started attacking ships in a specifically targeted and time synchronized manner to steal valuable goods. The CMS system of the company had been compromised 'by loading a malicious web shell on the server'.

The maritime industry is an ensemble of ship owners/operators, terminals, consolidators, forwarders, agents, customs brokers, transporters, storage providers, banks and various regulatory departments; all of whom could be involved in moving a single consignment from point A to point B anywhere in the globe. Hence, a detailed cyber due diligence is a must.

Under cyber risk management, **Port Community System** could be adapted

as a matter of policy. Employees can be **trained** to understand the risks of cyber-attack, preventing it and making an execution strategy. A **Cyber Incident Response Plan** must be in place for immediate implantation in the event of an attack. The plan should comprise of detection and containment procedures, evaluation of implications, notification of parties concerned and corrective actions for preventing recurrence. A specific **cyber insurance policy** is required to cover all direct and indirect costs such as legal service, PR, crisis management, security and forensics consultants, asset rectification, business disruption/interruption and cyber extortion.

Cyber threat is a real risk and it is increasing in its severity in shipping and other maritime industries. The readiness of an organization to deal with cyber threat will be crucial in determining its success ■

## Agency & Services

# SHREE CEMENT LTD

**S**hree Cement Ltd (SCL), a rapidly growing listed company, is fast emerging as one of the industry leaders in its core business of cement and power with plants across the country. With a market cap of Rs 36,820 crore, its portfolios stand at 23.6 million tons per annum and 597 MW respectively.

Arya Water Technologies' (AWT) tryst with SCL began in 2014 as a bidder for a sewage treatment plant (STP), required urgently for its grinding unit at Bulandshahar, UP, which was facing the threat of being shut down by the Pollution Control Board (PCB) on account of environmental non-compliance. Negotiating the challenges posed to a start-up company against stiff competition from reputed industry players like Ion Exchange, Thermax and Aquanics among others, AWT emerged victorious on the back of its excellent customer interface, superior design and new technology for a sludge-handling system.

AWT successfully supplied, installed and commissioned the project in 4 weeks, beating the deadline from PCB and preventing the likely

shutdown. This was appreciated by SCL's senior management. Based on its performance and goodwill, AWT went on to bag future orders for SCL's various grinding units and residential townships. Some of the projects are:

### 1. RAS Township, Beawar (Rajasthan)

75 KLD Sewage Treatment Plant (2015)

5.5 KLH Water Treatment Plant (2015)

200 KLD Sewage Treatment Plant (2016)

25 KLD Compact Sewage Treatment Plant (2016)

### 2. Grinding Unit, Aurangabad (Bihar)

75 KLD Sewage Treatment Plant (2016)

### 3. Cement and Clinker Manufacturing Unit, Kodla (Karnataka)

Three 25 KLD Compact Sewage Treatment Plants (Grinding Unit) (2016)

### 4. Township, Kodla (Karnataka)

25 KLD Compact Sewage Treatment Plant (2016)

In Karnataka, SCL was faced with the challenge of space availability. AWT was called to a meeting chaired by the President (Projects) and requested to find an out-of-the-box solution. AWT proposed a compact plant in which the screen chamber, oil and grease trap, equalisation tank, MBBR reactor, tube settler, clarified water tank, sludge-holding tank and treated water tank were to be integrated into a single tank and placed below ground in a defined area. The threat of tank damage due to underground acidic contamination was eliminated through a rubber lining. SCL reposed faith in our ability and placed an order for all three plants, which were successfully installed and commissioned in February 2017. As a token of its appreciation, SCL placed a repeat order for a plant with the same capacity at its RAS Township, Beawar (Rajasthan) – a first in its history.

AWT has emerged as the preferred vendor for all water and waste water requirements and is well on its way to securing similar orders in its ever-expanding nationwide footprint ■



You  
Tube



## Logistics

# BOXCO Successfully Handles Over-Dimensional Modules For L&T MFF At KATTUPALLI

It was that time of the year when an entire cross-section of the industry was racing to complete their shipments and shift their odd-sized modules from their fabrication yards to the jetty.

These modules were designed and fabricated in partnership with McDermott International Inc., for ONGC's Vashista project at Kakinada. The job was awarded to Boxco, but it had steep documentation requirements from the various parties involved, i.e., L&T MFF, McDermott and ONGC.

In all, 23 over-dimensional modules were scheduled to be moved according to the barge load-out schedule below.

In addition, a few essential over-sized packages, such as a 7M-high 135 MT tensioner, a 6M-high pipe rack assembly and portable spool base cabins, were scheduled to be moved within the site.

Thanks to Boxco's in-house technical team, comprehensive supporting data on the methodology of execution and its safety parameters were stacked up for reference, which helped with efficient preparation. The entire methodology was discussed in detail with the L&T technical team, and the proposed methodology was accepted.

With all the preparations in place, Boxco was faced with a high demand for heavy lifting equipment at the time of execution, which left them

with limited choices. Despite this challenging situation, Boxco trusted its technical and heavy lift teams to execute the assignment.

*Boxco faced quite a few other challenges, such as the need for the following:*

Numerous modifications and changes made to the selected equipment, from the tow bar to the steering rod, to adjust to Boxco's requirements

Education for the crew and client regarding the arrangement of a disconnected side-by-side axle configuration, which was used to move 13 modules

Designs for spreader beams and saddles for L&T to suit Boxco's transportation model for the remaining 10 modules

Preparation and updates for documentation and execution basis revised plans

Alert turn manoeuvring within the site due to the disconnected axle arrangement

Matched barge schedules to move two to three modules in a single shift.

Boxco's heavy lift team's skill set was tested often. However, the earnestness behind the team's efforts and its due diligence resulted in the completion of the assignment to L&T's satisfaction.

Sr. no	Description Of The Module	Dimensions (L) x (W) x (H)	Weight	Qty
1	Plet 1, 2, 5 & 6 Mudmat	17.70m x 11.975m x 2.442m	60.00 MT	6
2	In-Line Tee 1, 2, 3, 4, 5 & 6 Mudmat	16.00m x 12.00m x 2.488 m	55.77 MT	6
3	In-Line Tee 1, 2, 3, 4, 5 & 6 Piping Module Support	7.75 m x 5.15m x 4.473m	28.62 MT	6
4	Plet 1, 2, 5 & 6 Piping Module Support Framing	8.25m x 5.15m x 5.032m	27.87 MT	4
5	Plem Mudmat	18.00m x 14.00m x 2.37m	59.22 MT	1
6	Plem Piping Module	13.63m x 12.94m x 8.77m	101.16 MT	1
Total				24





# Logistics



PIPE RACK ASSEMBLY



PLET PIPING MODULE SHIFTED BY 2 X 10 AXLES SIDE BY SIDE DISCONNECTED CONFIGURATION



"7M HIGH TENSIONER" PACKAGE IMPORTED AND TRANSPORTED FROM KATTUPALLI PORT TO SITE



LIFTING VIEW OF PLET PIPING MODULE

The team's combined effort to conquer all the challenges reminds us of the saying **"None of us is as smart as all of us."** The L&T team not only conveyed their delight with the timely, safe, seamless completion of the project but also assured us of their continuous support. After earning this priceless experience and valuable reputation, Boxco aims to accomplish more shipments of this nature in the future ■



## Logistics

# BOXCO's Partnership With WARTSILA Going Strong!

**W**artsila Energy Solutions, a Finnish based company, was awarded to supply 70MW Smart Power Generation Plant to Assam Power Generation Corporation Limited in the hilly terrains of North East India. The order includes seven Wartsila 34SG Engines running on natural gas to replace the outdated gas turbines in the site. Wartsila India Pvt. Ltd. and Boxco Logistics India Pvt. Ltd. share an association that dates back to more than 2 decades. Boxco Logistics has always provided innovative solutions for every single project of Wartsila.

Wartsila India laid down some of the stringent conditions for selection of logistics service provider such as ownership of assets, custom house agents license registration and adherence to international safety norms. Boxco had participated in many rounds of technical discussions and thanks to their in-house technical team, Boxco was able to support

Wartsila with comprehensive data regarding execution methodology and safety parameter. And this is what helped them bag the project despite of stiff competition. Total scope of work included receiving the engines directly on Boxco's own hydraulic axles under the vessel's hook, import custom clearance at discharge port, transportation from port to site and finally unloading and alignment of engines onto the foundation. The job involved handling of 7 Engines of 137MT each of dimension **1290cm x 330cm x 430cm**

With all the preparation done to receive the Engines at Haldia Port, Boxco was up against a huge challenge as the shipping line had decided to berth the vessel at Kolkata Port at the very last moment due to huge congestion at Haldia Port. This left Boxco with last minute re-planning of the receiving activity. Despite the situation, we went ahead to execute the assignment and faced the following challenges

- Taking permission from Kolkata Port Trust for stooing down of engines at a designated area in the port
- Mobilizing of Boxco's assets and manpower from Haldia to Kolkata Port within a night's notice
- Modification in documentation since the cargo is imported under Zero Duty Import
- Obtaining entire Tram Shutdown Permissions for onward transportation through the narrow road of Kolkata
- Road Transportation covering a total distance of approximately 3000 kms which involved transportation through 4 States from Kolkata to the Lakwa Project Site

Operation was more challenging as transportation had to be carried out in hilly terrains and narrow roads of Assam and the state is very popular for insurgency activities. Entire convoy was planned, proper local permissions were sought and at critical places police reinforcement was arranged to escort the convoy. The engines reached the site as planned but the onset of monsoon and limited space inside the project site made the activity of unloading and alignment onto foundation much more tedious. However Boxco, with its efficient due diligence and skilful heavy lift team, ensured that the engines were on the foundation as planned.

Wartsila India Pvt. Ltd. and Assam Power Generation Corporation Limited were extremely satisfied with Boxco's delivery and assured them of their continuous support in the future ■



TRANSPORTATION OF 136 MT DG SETS THROUGH HILLY TERRIANS OF ASSAM



THE CONVOY PASSES THROUGH 4 DIFFERENT STATES ENROUTE TO ITS FINAL DESTINATION



## Infrastructure

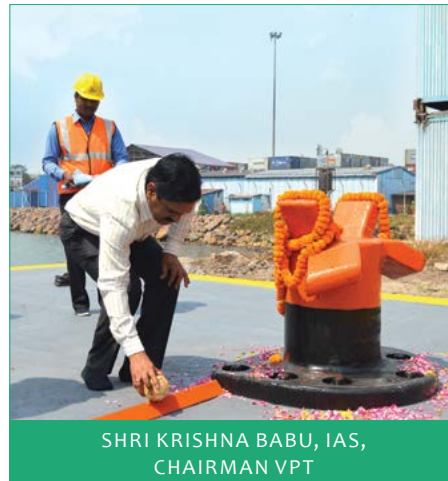
# Innovative VCT Inaugurates Zero Bollard

The quay of Visakha Container Terminal (VCT) aggregates to 450m in length and can accommodate two second generation cellular container vessels at any given time. However, a significant wharf length had to be dedicated for the mooring lines which would make it difficult to accommodate more than one vessel at a time.

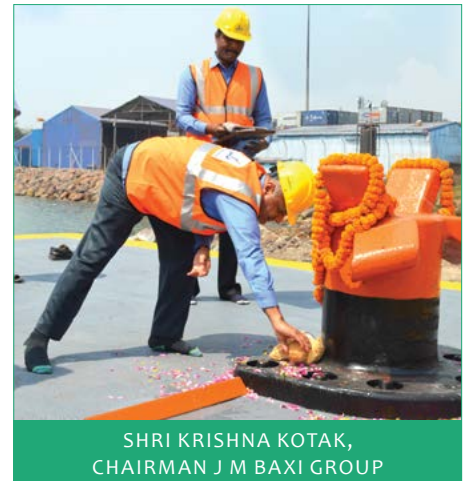
To tackle this, several options were studied for technical feasibility resulted in the construction of a mooring dolphin.

VCT team erected a stand-alone bollard around 30m ahead of the existing jetty head set in by 20m inwards on to the land area. A pulley with ropeway has also been added to ease the manual labor required whilst handling the mooring ropes.

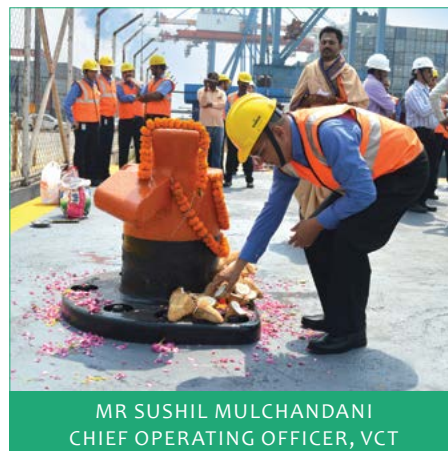
The mooring bollard was inaugurated by Shri Krishna Babu, IAS, Chairman of Visakhapatnam Port Trust (VPT) in the presence of Shri Krishna Kotak and senior officials of VPT and VCT ■



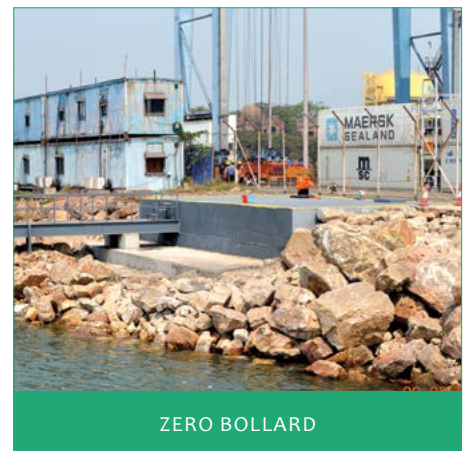
SHRI KRISHNA BABU, IAS,  
CHAIRMAN VPT



SHRI KRISHNA KOTAK,  
CHAIRMAN J M BAXI GROUP



MR SUSHIL MULCHANDANI  
CHIEF OPERATING OFFICER, VCT



ZERO BOLLARD



INAUGURATION OF ZERO BOLLARD AT VCT



Infrastructure

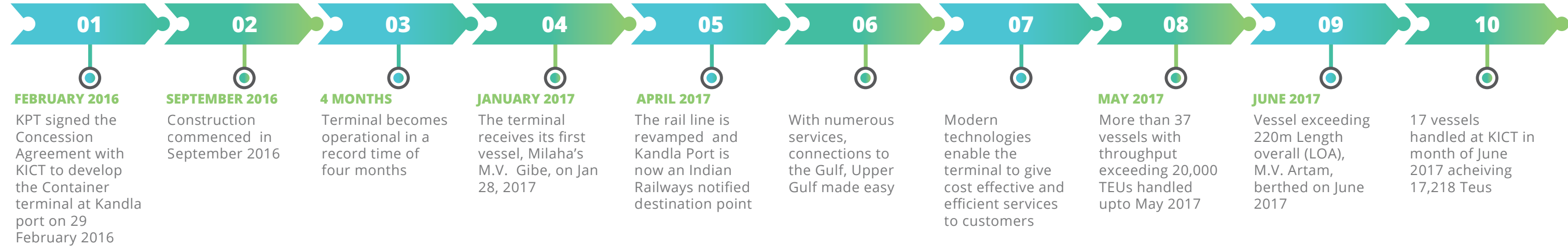


KDX SERVICE (KANDLA DAMMAM EXPRESS) LAUNCH



MOBILE HARBOUR CRANE BEFORE REVAMPING

RESILIENT



INTERCHANGEABLE EIGHTLANE GATE COMPLEX



HANDLING OF CONTAINER BY RMQC

Infrastructure

KICT



M.V. OSHAI RIJ ON 4<sup>th</sup> FEBRUARY 2017 BERTHING AT KICT



ARRIVAL OF THE FIRST CONTAINER TRAIN AT KICT



M.V. ARTAM BERTHING ON 12<sup>th</sup> JUNE 2017



CONTAINER STACKING YARD



## Infrastructure

# VCT Breaks Barriers By Embarking On NEPAL Trade



TRADE PARTNERS FROM MAERSK LINE, SRIVALLI SHIPPING AND CONCOR OFFICIALS INITIATE MAIDEN RAKE MOVEMENT TO ICD BIRGUNJ, NEPAL



VCT LOADING THE FIRST CONTAINER ON TO THE RAKE FOR ICD BIRGUNJ NEPAL

**A**fter a long pursuit, Vizag emerged as an alternative gateway to landlocked Nepal when the first rake moved to ICD Birgunj on 6<sup>th</sup> Jun'17. Indeed a historic moment for both Vizag and Nepal when a sustained effort, from both sides cracked the potential to commence a direct rake service between Vizag and Birgunj. The new product from Maersk, which offers containers at the door step of importers in Nepal, has fulfilled a long awaited target of Nepal trade. With Main Line services connectivity,

the terminal is well positioned to handle Nepal cargo efficiently.

Container Corporation of India, the rail operator has been supportive of the whole venture since the time it was conceived. Competitive rail haulage from Visakhapatnam to ICD Birgunj on a two way basis was declared and Concor was also kind enough to oblige for carrying only 50 TEUs on the maiden rake. They also assured the trade of providing adequate rakes for this circuit with best transit time possible.

Ground work for direct product started six months ago when Maersk Line strategized the commencement of Nepal trade in alignment with VCT's vision. Maersk has gone an extra mile in designing a product that offers bill of lading till ICD Birgunj. This resulted in the first ever rake movement of 50 TEUs to Nepal from Visakhapatnam early this month.

Srivalli shipping played an important role to arrange the CTD (Custom Transit Declaration), the most essential document, for Nepal's transit cargo. Right from collection of necessary documents, clearance from embassy of Nepal and Vizag Customs to clearance from the land customs station at the border, everything was skillfully undertaken and coordinated by Srivalli.

The maiden rake to Nepal has opened the door for many more customers to use this product. VPT has also agreed to allot office space for Consulate General of Nepal which would further augment the process. With envisaged growth between Nepal and Visakhapatnam, the Port city is poised to handle burgeoning EXIM traffic of Nepal through VCT ■



## Technology

# PORTALL Delivers With ESB

**P**ortall is a Subscription based Value Added Service for the customers of CFS, Terminal & ICD. It's a one stop consolidated dashboard solution for customers. Portall is using enterprise service bus (ESB), a middleware software architecture that provides fundamental services to communicate with more complex architectures of stake holder's systems. It acts as the communication centre in a service-oriented architecture (SOA). It translates requests into the appropriate message types and routes them to the appropriate service provider. Being loosely coupled, if anything changes in one system, the other systems are not affected other than minor adjustments in the ESB. It enables to Integrate other IT environments in a faster and more secured way by converting and transforming between different protocols and data formats.

### THE PRIMARY FUNCTIONALITIES OF AN ESB ARE

- ▶ Monitor and control routing of message exchange between services
- ▶ Resolve contention between communicating service components
- ▶ Control deployment and versioning of services
- ▶ Cater for commodity services like event handling, data transformation and mapping, message and event queuing and sequencing, security or exception handling, protocol conversion and enforcing proper quality of communication service.

### WHY USE AN ESB IN PORTALL

ESB makes it easy to change or add components in the back end for different stake holder's systems of Portall. It provides a convenient place to enforce security and

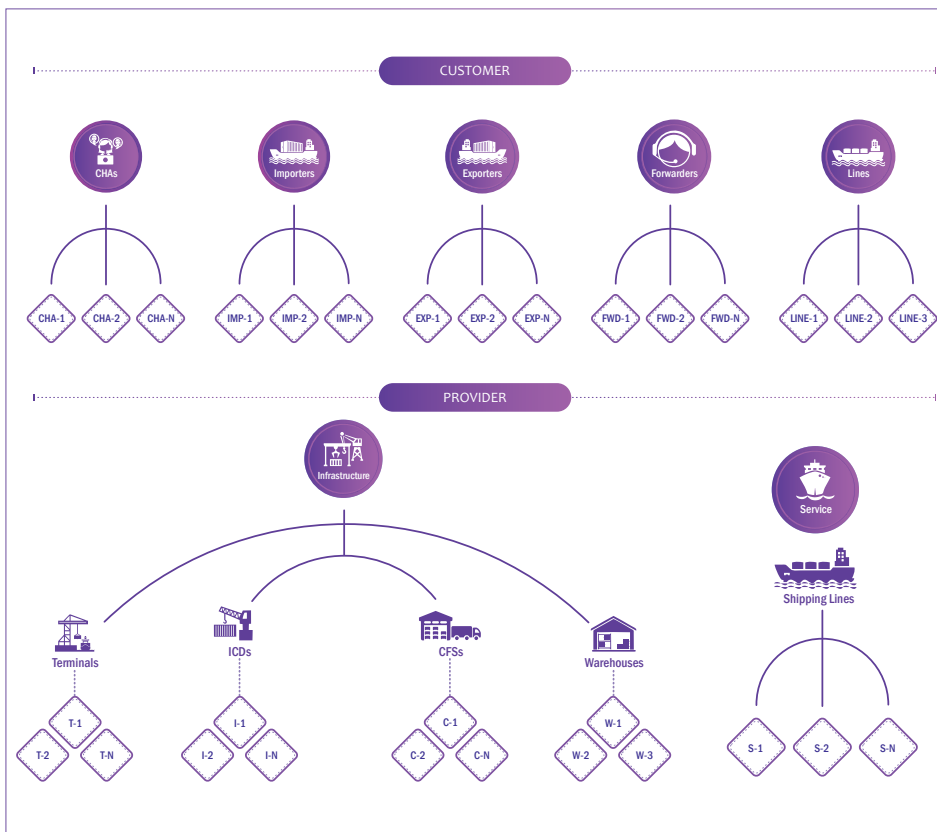
compliance, logging and monitoring the services activated on Portall. It can provide load balancing to improve performance of Portall mobile and web Application. It also provides fail over support in case of a component or resource failure of different systems attached to the Portall application.

### DATA SECURITY IN ESB

Portall as an application is agnostic to the other system functionalities (Ex. Line System, CFS systems etc). The Communication (Data/ Messages) takes place through ESB. Data / messages are passed on to the end users as and when it is received and does not store it. However, ESB maintains the log of the activities performed. Data is transported over secure socket layer (SSL)

### DATA SECURITY IN ESB

- ▶ Scales from point-solutions to enterprise-wide deployment (distributed bus)
- ▶ More configuration rather than integration coding
- ▶ Central rules-engine, central broker
- ▶ Easy plug-in and plug-out and couple systems loosely  
Incremental patching with zero down-time; enterprise becomes "refactorable" ■



SCAN TO KNOW MORE

## Technology

# VCT's Progression With RFID And PORTALL

**F**or the advantage of all stakeholders involved in Indian shipping logistics industry, customs themselves asked all CFSs' to introduce RFID. Earlier, it was impossible to track the location of a container and it would make the situation much more challenging in case one of them got delayed or went missing. In this light, RFID is a saviour as it helps customers know the exact location of their container and take care of punctuality and client servicing accordingly.



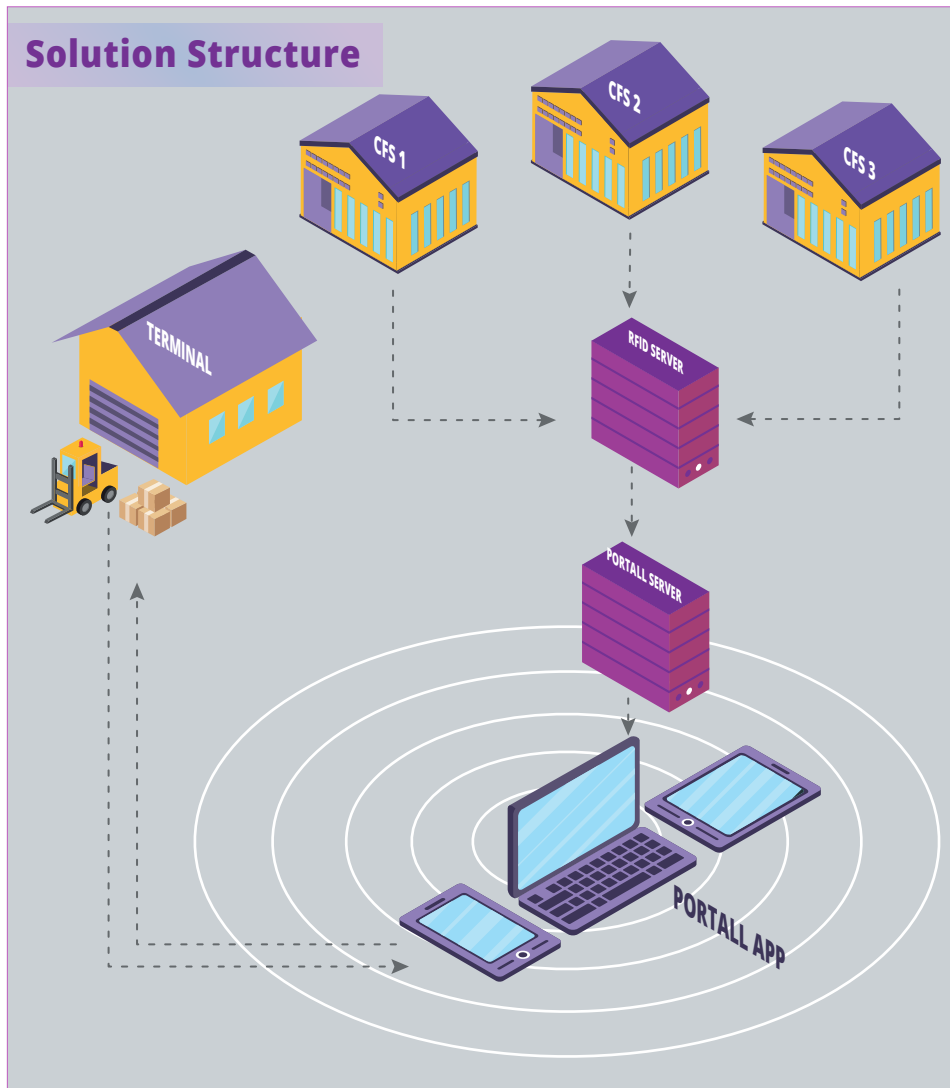
### ADVANTAGE OF RFID

1. It is a track and trace solution for trailer moving IN and OUT of CFS's and terminal.
2. Real time truck turn around time between CFS and terminals as per customs requirement.
3. It will be a part of gate automation system to enhance gate productivity.

### INTEGRATION WITH PORTALL

1. Portall is a unique logistics management application for all the stakeholders in the Indian shipping industry. It is a one-stop consolidated dashboard solution that provides our customers with complete transparency, real-time updates, status tracking, alerts and notifications
2. RFID solution is integrated with Portall, which makes it the best search engine for CFS and terminal to keep track on container and trailer movements between CFS's and terminals ■

### Solution Structure



## We Connect

# Participation At Break Bulk ANTWERP

**J**M BAXI GROUP again represented itself at Break Bulk Europe 2017 which took place in Antwerp during 24<sup>th</sup> – 26<sup>th</sup> April 2017.

This annual event is the largest of its type in the world, with more than 400 exhibitors from all over the world representing themselves and attracting over 4,500 visitors from various related industries.

The agglomeration of exhibitors and visitors representing Ship Owners, Project Forwarders, Global Logistics Companies, Ports and other Maritime Service Organisations and Interests under one roof offers a unique opportunity to showcase the diverse offerings of the J M BAXI GROUP.

All the companies and services of the J M BAXI GROUP were show cased on the Group stand manned by staff from J.M. Baxi & Co, Boxco Logistics and DIABOS.

Held over a period of 3 days, the J M BAXI GROUP met old friends, reinforced existing relationships and also had a number of interactions on new opportunities.

There were fruitful discussions with many well-known operators and owners including Zeaborn/Rickmers Linie, GMB Maritime Liner, MUR Europe, MOL, Combi Lift, PACC, Conti Group, Ultrabulk, BBC, Hanssy Shipping, TAM International, Roll Group, Ark Shipping, Bow Shipping GmbH, Ernst Russ Ship Broker, Big Lift Shipping and Hansa Heavy Lift.

The Project Logistics team of Boxco Logistics was able to meet with numerous close correspondent companies such as Alligator Shipping, Deugro Projects, Blue Water Shipping, Psade La Castellana, Dako Group, Bertling Logistics, NMT Projects, Keystone Logistics, Fracht AG, Fesco Transportation and Fagioli Logistics.

DIABOS, our disbursement management company could show case not only its cutting edge Disbursement Account Processing system and its prowess, but also its new unique product – the DIABOS Pay Master driven by a mobile app on line that minimizes cash handling, transactions and remittance.

Overall we are very satisfied with the cordiality of response and reiteration of support received from our existing clients; we are also quite excited at some of the discussions initiated about new business opportunities.

We have already booked our place at Breakbulk Europe 2018 which will be held in Bremen, Germany during 29<sup>th</sup> – 31<sup>st</sup> April 2018 and await with excitement the experience at the new venue ■



(L-R) MR JANESH GULATI, BOXCO LOGISTICS; MR R. K. GANGULY, J.M. BAXI & CO.; MR ASHISH VEDAK, DIABOS AND MR DAVID SHARMAN, J M BAXI GROUP



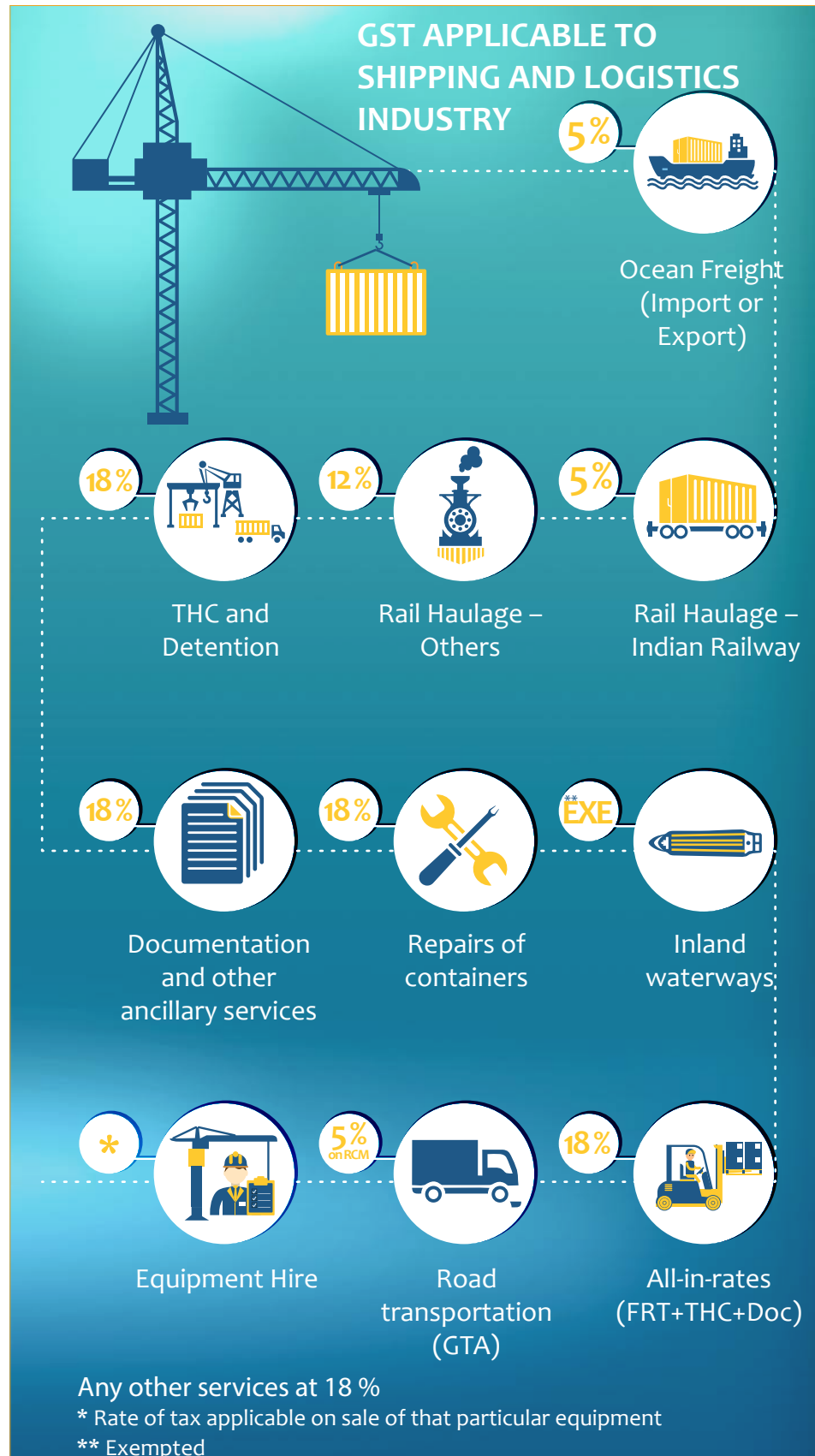


## In Focus

# What GST Means For Us

## KEY TAKE AWAYS FROM GST SO FAR

- Since exports have been categorised at zero rated levy, all input service and goods can be claimed against other liabilities by exporters. This move will make Indian exports competitive and lead to improved load to empty ratio
- Warehousing companies can now do centralized warehousing (basis business needs) instead of worrying about different state's tax differentials and central sales tax non input availability
- We can now avail 100% input credit on capital goods in the first year itself thereby releasing 50% of excise
- There will be a considerable reduction in material costs since we can take input of VAT on maintenance and repair activities. This will help to improve margins as well
- Infrastructure continues to be an ignored sector as no input tax credit is allowed on civil works. However, effective tax rate may increase by 4%
- Inter branch / interstate transfers have been made taxable which will result in significant cash flow blockages on transfer of empty containers from one state to another
- 3 GST returns per state for logistics and agency businesses
- Every invoice will have to be uploaded line wise resulting in expenses on IT infrastructure ■



## Weights & Measures

# Phosphoric Acid Imports Into INDIA

India is the largest country importing Phosphoric acid in the world accounting for over 45% of world trade. The country uses Phosphoric acid primarily for manufacturing of Fertilizers e.g.

**Di-Ammonium Phosphate (DAP),**

**Mono-Ammonium Phosphate (MAP),**

**Triple Superphosphate (TSP),**

**Single Superphosphate (SSP)**

Further Phosphoric acid is also used in the non-fertilizer sector of India i.e. as a food additive and acidifying agent in food and beverage industry, as an intermediate for producing phosphates that are utilized for water and metal treatment, for producing chemicals used in pharmaceutical and detergents industries. Out of the various usages, Fertilizer segment consumes more than 90% of Phosphoric Acid in India.

### Sources of Imports

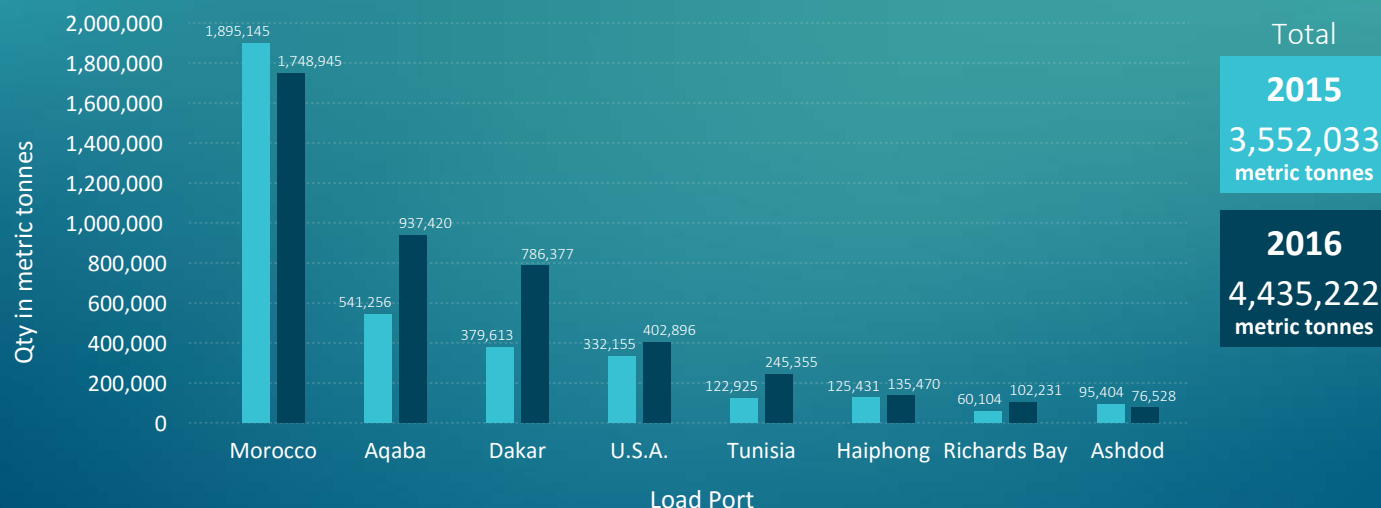
Most of the cargo is imported from countries e.g. Morocco, Senegal, Morocco, Jordan, Tunisia etc. Almost all the cargoes are fixed through annual contracts between the supplying nations and the Indian companies and there is very little activity happening in the spot shipping market.

### Consumption Areas

Major importers of Phosphoric Acid are the fertilizer companies which have annual COAs with the supplying nations. Almost all the importing Fertilizer plants are located along the Indian coastline with the western region dominating with the largest number of plants. Accordingly, most of the imports are to the ports on West coast of India, followed by South and then East. Northern region of India controls a very limited share in the Indian phosphoric acid market owing to limited fertilizer production facilities in the region.

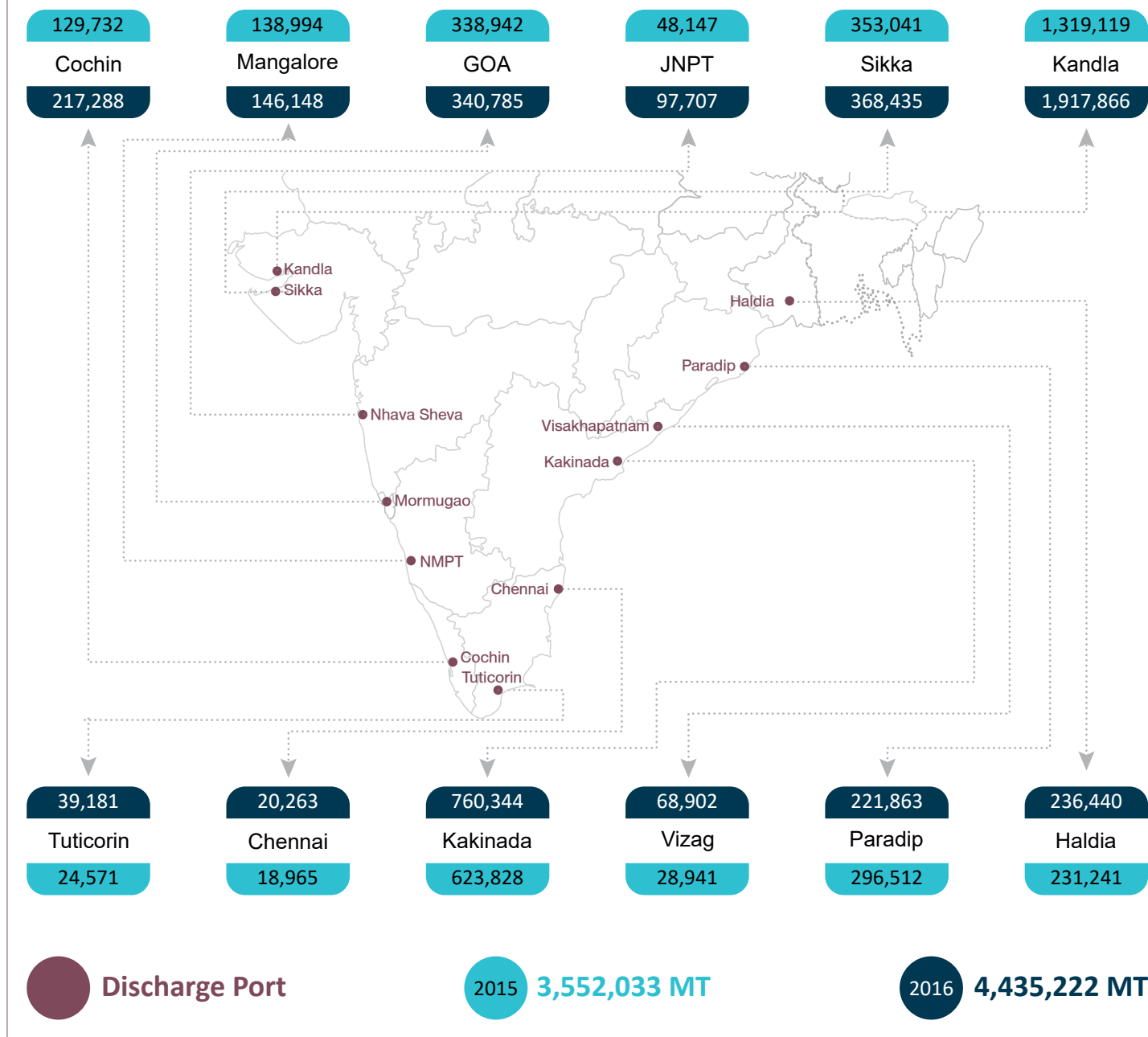
Receiver	Qty in MT	
	2015	2016
Indian Farmers Fertilizers Co.Op. Ltd.	1,319,119	1,917,866
Coromandel International Limited	652,769	829,246
Gujarat State Fertilizers Company Ltd.	353,041	368,435
Zuari Agro Chemicals Ltd.	338,942	340,785
Tata Chemicals Ltd.	231,241	236,440
Paradip Phosphates Limited	296,512	221,863
Fertilizers & Chemicals Travancore Ltd.	129,732	217,288
Mangalore Chemicals & Fertilizers Ltd.	138,994	146,148
Deepak Fertilizers & Petrochemicals Ltd.	48,147	97,707
Greenstar Fertilizers Pvt. Ltd.	24,571	39,181
Madras Fertilizers Limited	8,410	20,263
Indian Potash Limited	10,555	0
<b>Grand Total</b>	<b>3,552,033</b>	<b>4,435,222</b>

### Year wise Import of Phosphoric Acid into India



# Weights & Measures

## Yearwise Import of Phosphoric Acid into India



### Outlook

India produced 3.14 million tons of DAP and 4.22 million tons of SSP in 2016. Consumption of DAP and SSP fertilizers is expected to continue to grow in the coming years due to increased use in Agriculture production in the country. Although there has been a decline in prices of DAP in the international market in the recent past, luring Indian fertilizer

units to import DAP, however, rising Indian production and export of SSP fertilizers to the international market is pushing the demand for phosphoric acid in India. Moreover, surging demand for phosphoric acid in non-fertilizer segment too is continuing to push the demand for imports. According to market studies, it is estimated that Phosphoric acid imports would grow at a CAGR of more than 7% during 2016-2021 ■



# Port Statistics

## SHIPPING & CARGO PERFORMANCE

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

JANUARY - MARCH 2017 (IV<sup>th</sup> QUARTER) 2016 - 2017 / JANUARY - MARCH 2016 (IV<sup>th</sup> QUARTER) 2015 - 2016 (QTY IN MT)

### AGRICULTURAL PRODUCTS

	SUGAR		SOYAMEAL		WHEAT		RICE		MAIZE	
	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16
No. of Ships called	27	29	10	4	94	0	37	18	1	2
Total Cargo Handled	0.550	0.678	0.230	0.140	3.623	0.000	0.484	0.484	0.062	0.100
Import	0.390	0.294	0.030	0.000	3.623	0.000	0.032	0.032	0.062	0.100
Export	0.160	0.384	0.200	0.140	0.000	0.000	0.452	0.452	0.000	0.000

### FINISHED FERTILIZERS & FERTILIZER RAW MATERIALS

	UREA		SULPHUR		ROCK PHOSPHATE		DAP		MOP	
	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16
No. of Ships called	7	29	14	19	39	39	4	4	12	12
Total Cargo Handled	4.362	1.5489	0.361	0.465	1.685	1.532	0.247	0.112	0.802	0.330
Import	4.362	1.549	0.185	0.287	1.532	1.532	0.247	0.112	0.802	0.330
Export	0.000	0.000	0.176	0.178	0.010	0.000	0.000	0.000	0.000	0.000

### COAL

	THERMAL COAL		COKING COAL		MET COKE		PET COKE		ANTHRACITE COAL	
	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16
No. of Ships called	230	284	120	129	14	13	57	47	6	4
Total Cargo Handled	12.919	15.375	9.479	7.709	0.300	0.331	2.064	1.626	0.169	0.136
Import	6.220	7.453	9.479	7.709	0.300	0.331	1.646	1.383	0.169	0.136
Export	6.690	7.922	0.000	0.000	0.000	0.000	0.417	0.242	0.000	0.000

### STEEL & RELATED ORES

	STEEL PRODUCTS		SCRAP METAL		CHROME		IRON ORE		IRON ORE	
	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16
No. of Ships called	298	255	3	7	3	0	10	10	359	62
Total Cargo Handled	2.134	2.983	0.820	0.148	0.316	0.000	0.388	0.197	19.020	9.983
Import	2.815	1.877	0.820	0.148	0.000	0.000	0.388	0.197	4.990	7.517
Export	0.556	1.106	0.000	0.000	0.316	0.000	0.000	0.000	14.029	2.466

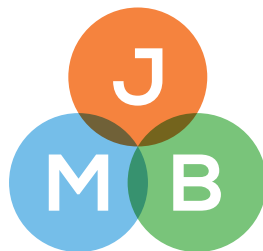
## INDIAN PORT PERFORMANCE - Q4 & FY 2016 - 17 THROUGHPUT (QTY IN METRIC TONNES)

JANUARY - MARCH 2017 (IV<sup>th</sup> QUARTER) 2016 - 2017 / JANUARY - MARCH 2016 (IV<sup>th</sup> QUARTER) 2015 - 2016 (QTY IN MT)

Ports	Types of Ports	NO. OF SHIPS		LIQUID CARGO		BULK CARGO		CONTAINERS (TEUS)		TOTAL CARGO *	
		IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16	IV <sup>th</sup> Qtr'17	IV <sup>th</sup> Qtr'16
Kandla	■	360	339	1.695	2.911	3.825	3.331	5,252	-	5,520	6,783
Mumbai	■	310	470	5.911	6.831	9.700	2.105	9,000	-	15,610	9,007
Nhava Sheva	■	192	173	1.689	1.293	0.262	0.260	1,118,113	1,135,722	1,555	1,553
Mormugao	■	182	159	0.329	0.292	7.845	5.361	-	-	8,317	5,919
Mangalore	■	278	373	7.528	7.753	3.604	2.405	-	21,826	11,357	10,229
Cochin	■	147	175	4.660	3.565	0.315	0.332	124,228	113,286	4,917	3,898
Tuticorin	■	89+	241	0.318	0.394	5.789	4.391	170,739	165,862	6,107	5,282
Chennai	■	310	258	3.045	3.727	1.922	1.167	371,321	395,131	4,970	5,175
Ennore	■	196	242	6.476	1.151	6.476	8.644	-	-	12,954	9,852
Vishakhapatnam	■	130	200	3.713	2.848	5.927	2.408	89,219	81,405	9,640	5,431
Paradip	■	123+	399	8.812	6.419	15.974	15.550	-	-	22,393	21,975
Haldia	■	450	347	2.678	1.871	4.618	3.616	46,886	22,041	7,300	5,487
Kolkata	■	66	58	0.287	0.163	0.002	0.095	108,674	154,858	0,289	0,278
Gangavaram	■	92	33	0.000	0.000	2.670	2.987	-	-	2,670	2,987
Pipavav	■	146	226	0.279	0.236	1.382	1.220	158,405	177,282	1,660	1,561
Mundra	■	87+	691	5.826	5.817	9.462	8.892	959,388	799,875	15,288	14,773
Dahej	■	169	147	4.364	5.928	2.344	2.314	-	-	6,710	8,242
Hazira	■	43+	30	1.877	0.132	1.877	1.488	113,918	95,117	3,750	1,625
Navlakhi	■	36	31	0.000	0.000	1.952	0.193	-	-	1,952	0,193
Kakinada	■	80+	165	0.610	0.167	2.344	1.571	-	-	2,950	2,028
<b>Total Vessel Calls at all ports</b>		<b>3486</b>	<b>4757</b>	<b>60.097</b>	<b>51.498</b>	<b>88.290</b>	<b>68.330</b>	<b>3,116,896</b>	<b>3,162,405</b>	<b>145.909</b>	<b>122.278</b>

■ Major Port ■ Non-Major Port

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



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