INFRASTRUCTURE: ULA CFS Automates Processing

08

IN CONVERSATION: Launching of Vir Varenya

12

INFRASTRUCTURE: Century-old Lighthouse Shines Bright Again

14
Table of Contents

04  PIPAVAV: PUTTING THE PARETO PRINCIPLE INTO PRACTICE
06  MYANMAR OPENS ITS DOORS TO GLOBAL INVESTORS
07  BREAK BULK: ANTWERP 18 - 21 MAY 2015
09  BMM ISPAT FULLY SATISFIED WITH OUR PERFORMANCE
10  J M BAXI GROUP’S FORAY IN COLD CHAIN LOGISTICS
15  VCT GOES HITECH
16  J M BAXI GROUP IS HELPING RELIEF EFFORTS FOR NEPAL
17  VISAKHAPATNAM - SMART CITY
18  COAL LOGISTICS: INTEGRATING THE VALUE CHAIN
19  PORT STATISTICS
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.

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.

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 Varenya, 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.

From the Quarter Deck

Krishna B. Kotak
Chairman - J M BAXI GROUP

July - September 2015
Newsletter Issue X
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, Quingdao and Bayuquan ports of China and Assaluyeh of Iran. 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 and Iran.
Recently the storage and handling of liquid cargo has started at Pipavav and the main storage terminals are listed below.

- Aegis Gas (LPG 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.
Myanmar, a country of 54 million people, is in the throes of change as it scrambles to catch up with the rest of the world after five decades of international isolation under the military rule. Since the opening of its doors to the outside world in 2011 (coinciding with political reforms), the country has however seen dramatic changes in its economy, after the European Union, United States, Australia and Japan lifted sanctions. Foreign investment has shot up fourfold to USD 4.1 billion; however, the big global investors are waiting for the results of the elections to be held at the end of this year before jumping onto the bandwagon, looking for some assurance of long-term stability.

The current economic growth rate is around 7% driven mainly by strong performance in gas production, services, construction, foreign direct investment and commodity exports. Japan and Korea early on identified Myanmar as a low-cost manufacturing country, and are looking to increase their product roll-out from this location in the next two years, though it is still awaiting basic infrastructure like roads, power, communication and banking to be put in place. Japan has invested in a huge Special Economic Zone (SEZ) in Thilawa (near Yangon), spread over 450 hectares, and plans to shift many manufacturing units from China to Myanmar, producing diverse products like electrical goods, garments, automobiles and electronics.

Viewing these developments, Boxco Logistics India Pvt Ltd (BLIP) has joined hands with local partners to carry out international freight forwarding operations. These are still early days, but we have already established businesses through our global network, and volumes have been growing steadily since March of this year. We are also engaging with the other verticals of our group (offshore, cruise, tramp agency, projects, etc.) to explore possibilities of collaboration in Myanmar.

Myanmar government has acted fast in licensing vast regions of its onshore and offshore sites shelf to foreign investors (53 onshore and 48 offshore sites have been earmarked for exploration). This increased licensing activity is expected to boost exploration over the next few years, especially in Myanmar’s deep water shelf, which remains mostly unexplored.

Along with the new investment that is expected, Myanmar will adopt the latest technologies and innovation to harness the maximum potential of its oil and gas resources.

Viewing this opportunity, BLIP is keen to offer its services, be it including trained workforce, specialised equipment, warehousing, or seamless supply chain management.

Myanmar Opens Its Doors to Global Investors

* “Maps are for representation purpose only”
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 Varenya, 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.
May 2015 was an eventful day for the J M BAXI GROUP as our vessel “M.V. Vir Varenya”, 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 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.

Launching of VIR VARENYA
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. 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.

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.
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 10 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 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 the cold chain market in India can be segmented into 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 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.

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

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.”`
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 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

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.
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.

The Old Lighthouse, an iconic structure that stands tall on the beach road in Vishakapatnam 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 Visag 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.

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 dioptr 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.

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.

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**HISTORY OF LIGHTHOUSE**

The restoration efforts by VCT have 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.

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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 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.
- 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 pre-defined 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.
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 Rashtriye 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.
Tech giant IBM has chosen Surat, Allahabad and Visag 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.

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.
Coal Logistics: Integrating The Value Chain

– A Synoptic View (continued from issue IX)

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.

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 Krishnapatnam) 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.

Estimates of coal consumption in India 2016-17 and 2030-31

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

<table>
<thead>
<tr>
<th>2016-17</th>
<th>2030-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>4% Cement</td>
<td>5% Cement</td>
</tr>
<tr>
<td>7% Iron &amp; Steel</td>
<td>5% Iron &amp; Steel</td>
</tr>
<tr>
<td>10% Others</td>
<td>10% Others</td>
</tr>
<tr>
<td>20% Non-Electricity</td>
<td>20% Non-Electricity</td>
</tr>
<tr>
<td>59% Electricity</td>
<td>60% Electricity</td>
</tr>
</tbody>
</table>

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.
SHIPPING & CARGO PERFORMANCE
QUARTERLY UPDATES ON INDIAN MAJOR & MINOR PORTS (QTY IN MILLION TONES)
JANUARY - MARCH 2015 (IV th Quarter) / APRIL 2014 - MARCH 2015

AGRICULTURAL PRODUCTS

<table>
<thead>
<tr>
<th>Products</th>
<th>SUGAR</th>
<th>SOYAMEAL</th>
<th>WHEAT</th>
<th>RICE</th>
<th>MAIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inbound</td>
<td>7</td>
<td>38</td>
<td>4</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Total Cargo Handled</td>
<td>0.326</td>
<td>1.010</td>
<td>0.140</td>
<td>0.376</td>
<td>0.034</td>
</tr>
<tr>
<td>Outbound</td>
<td>0.038</td>
<td>0.331</td>
<td>0.140</td>
<td>0.376</td>
<td>0.034</td>
</tr>
</tbody>
</table>
| FINISHED FERTILIZERS & FERTILIZER RAW MATERIALS

<table>
<thead>
<tr>
<th>Products</th>
<th>UREA</th>
<th>SULPHUR</th>
<th>ROCK PHOSPHATE</th>
<th>DAP</th>
<th>MOP</th>
</tr>
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<tbody>
<tr>
<td>Inbound</td>
<td>44</td>
<td>131</td>
<td>26</td>
<td>87</td>
<td>39</td>
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<tr>
<td>Total Cargo Handled</td>
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<td>4.367</td>
<td>0.486</td>
<td>3.396</td>
<td>1.664</td>
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<tr>
<td>Outbound</td>
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<td>2.422</td>
<td>0.136</td>
<td>0.439</td>
<td>0.000</td>
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</table>

COAL

<table>
<thead>
<tr>
<th>Products</th>
<th>THERMAL COAL</th>
<th>COKING COAL</th>
<th>MET COKE</th>
<th>PET COKE</th>
<th>ANTHRACITE COAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inbound</td>
<td>186</td>
<td>613</td>
<td>185</td>
<td>703</td>
<td>13.239</td>
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<tr>
<td>Total Cargo Handled</td>
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<td>27.070</td>
<td>10.125</td>
<td>36.434</td>
<td>0.000</td>
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<tr>
<td>Outbound</td>
<td>6.796</td>
<td>13.191</td>
<td>0.143</td>
<td>0.578</td>
<td>0.000</td>
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STEEL & RELATED ORES

<table>
<thead>
<tr>
<th>Products</th>
<th>STEEL PRODUCTS</th>
<th>SCRAP METAL</th>
<th>CHROME</th>
<th>MAGNESIUM ORE</th>
<th>IRON ORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inbound</td>
<td>255</td>
<td>900</td>
<td>2</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Total Cargo Handled</td>
<td>2.983</td>
<td>10.164</td>
<td>0.047</td>
<td>0.246</td>
<td>0.000</td>
</tr>
<tr>
<td>Outbound</td>
<td>1.106</td>
<td>4.309</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

INDIAN PORT PERFORMANCE - Q4 & FY 2014-15 THROUGHPUT(QTY IN METRIC TONES)
JANUARY - MARCH 2015 (IV th Quarter) / APRIL 2014 - MARCH 2015 QTY IN MILLION TONES)

<table>
<thead>
<tr>
<th>Ports</th>
<th>Major Port</th>
<th>Non-Major Port</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO. OF SHIPS</td>
<td>IVth Qtr Ap'14-Mar'15</td>
<td>IVth Qtr Ap'14-Mar'15</td>
</tr>
<tr>
<td>LIQUID CARGO</td>
<td>IVth Qtr Ap'14-Mar'15</td>
<td>IVth Qtr Ap'14-Mar'15</td>
</tr>
<tr>
<td>BULK CARGO</td>
<td>IVth Qtr Ap'14-Mar'15</td>
<td>IVth Qtr Ap'14-Mar'15</td>
</tr>
<tr>
<td>CONTAINERS (teus)</td>
<td>IVth Qtr Ap'14-Mar'15</td>
<td>IVth Qtr Ap'14-Mar'15</td>
</tr>
<tr>
<td>TOTAL CARGO *</td>
<td>IVth Qtr Ap'14-Mar'15</td>
<td>IVth Qtr Ap'14-Mar'15</td>
</tr>
</tbody>
</table>

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