

Newsletter

Excellent Growth in container traffic

The ICTT has exhibited excellent growth in 2015-16 with the throughput growing by more than 53,000 TEUs over the previous year, recording the growth of 14.5%. The year, 2015-16 has been historic, when ICTT crossed the 4 lakh TEU mark in annual throughput for the first time ever to reach 4.20 lakh TEUS. The growth trend is continuing in 2016-17 with the 1st Quarter, Apr-Jun, recording the growth of 26.4%. Also, first time ever, ICTT crossed 40,000 TEUs in a month, in April 2016. The ICTT has also shown robust growth in net revenue from Vessel Related Income and Revenue Share at Rs.130 crores in 2015-16 against Rs.93 crores in 2014-15. The growth is mainly due to the increase in ships from new Mainline services and the significant growth in coastal container traffic.

Award from Ministry of Shipping



Shri G. Senthilvel, Chairman receives the award from Shri Nitin Gadkari, Hon'ble Minister for Shipping and Shri Rajive Kumar, Secretary (Shipping), Govt. of India.

Cochin Port was bestowed with an award by Ministry of Shipping on 04.06.2016 for achieving highest growth in operational profit during the period 2015-16



From Chairman's Desk

Dear Colleagues,

It is my pleasure to communicate the developments to all my colleagues through this Newsletter. We have made significant progress in the just concluded financial year 2015-16. We have been passing through very tough period. We were financially very down but the way we encountered our problems collectively will be remembered for ever because that sacrifice from our side has now helped Cochin Port to be back on an improvement path.

The leadership of the trade unions had supported the management in its very sincere efforts. All the employees stood by the Port in its bad time. The Management on its part went aggressively for marketing for new cargo and also tried to earn more income through Estate Rentals and other sources. It was a very hard work to regain our image and bring more cargo to Cochin. But, we are gaining acceptance now.

We had an inspiring leader in Shri Paul Antony, IAS who worked very hard and with courage of conviction and fought his way to get Cochin Port a very good deal from everywhere. He had been a personal example himself. He set high standard for himself. He set standard for his colleagues. After his tenure ended on May 16, 2016, he reverted back to State cadre and I join you in wishing him a successful and bright career.

To resolve the LNG pipeline issue, I met the Chief Minister of Kerala and requested his intervention to resolve this issue. He assured full support and stated this will be resolved within a year. The CM also assured support to the Cochin Port from the State Government side. I met the Finance Minister Dr. Thomas Isaac who assured support in Walayar Check-post issues and also stated that an integrated check-post near Walayar will be established for speedy clearances and reduce delays.

I am happy to inform that our container terminal increased its volume by 15% in 2015-16. In this year, we hope to touch half a million TEUs. More cement terminals are coming up. We are also tendering land for more Port Based projects which will give us revenue in the years to come.

I am glad to convey that in 2015-16 we had an operational profit of Rs.70.9 crores. This is 262% more compared to previous year's operating profit. The net loss has reduced to Rs.40.52 cr. from Rs.72.04 cr. Ministry of Shipping has given an award to our Port for the highest growth in the operating profit for 2015-16.

The Port has been taking remarkable steps to achieve targeted results in terms of throughput, productivity, turnaround time, etc. Major initiatives are On-line berthing, norms for productivity, implementation of RFID, periodical monitoring, conducting trade meets. Due to this, major RFD targets have been achieved in the first quarter of the current year.

I request all my colleagues to continue their sincere support in the future to achieve our targets to handle 25 MT of throughput which will make Cochin Port close to making Net profit.

G. Senthilvel

RFID Gate Access System



Dr. K. N. Raghavan, Commissioner of Customs inaugurates the RFID gates system in the presence of Chairman, Traffic Manager, other HoDs of Departments and representatives from the Trade.

Cochin Port has implemented a new Radio Frequency Identification (RFID) based gate access system for vehicles entering Ernakulam Wharf. In this new system, all vehicles which need to enter the operational area of Ernakulam Wharf are issued with an RFID tag after completing the registration process. When vehicles fixed with RFID tags approach the gate at Ernakulam wharf, the RFID antenna will identify the vehicle, and permit entry. The details of entry and exit are recorded by the RFID system.

Growth in Cargo Traffic

During the period from April to March, 2016, the Port handled 22.10 Million tonnes of cargo as compared to 21.60 Million tonnes in the preceding year showing an increase of 2.33%. In the case of containers, the Port handled 419550 TEUs during the period from April to March, 2016 as compared to 366376 TEUs in the preceding year.

During the period from April to June, 2016, the Port handled 6.06 Million tonnes of cargo as compared to 5.54 Million tonnes in the preceding year showing an increase of 9.39%. In the case of containers, the Port handled 119871 TEUs during the period from April to June, 2016 as compared to 94862 TEUs in the preceding year.

Trade Meets

Cochin Port has taken up the marketing initiatives in a big way. Senior officials including Chairman and Deputy Chairman conducted several customer visits to places including Mumbai, Salem, Erode and Coimbatore. Several Trade meets were held at Pollachi, Erode and Salem. The Marketing Advisor of Cochin Port is leading the marketing activities in the Tamil Nadu region. Continuous interaction with importers and exporters is maintained through trade meets and customer visits, which has helped in creating a positive image for Cochin Port.

Sri.G.Senthilvel, Chairman, Cochin Port Trust accompanied by Dr. P Tamilvanan, Advisor (Marketing), and Mr. Girish Thomas, Dy. Traffic Manager met Sri C.Paulrasu IAS, Executive Director, Tea Board at Coonoor on 8th July, 2016.

New scheme to incentivise better productivity

Cochin Port has decided to implement a new scheme to incentivise better productivity and penalise poor productivity in operations through introducing performance norms. Considering the cargo profile of the Port, the scheme is proposed for POL products and cement handled through pipelines. The scheme intends to prescribe normative berth hours for such cargo based on normative productivity. The normative berth hours will be used to incentivise ships which have completed their operations earlier due to higher productivity and penalise ships which have delayed their operations due to poor productivity.

Ease of Doing Business

The following initiatives have been put in place to improve the ease of doing business.

- A green channel has been introduced at Walayar check post for Customs-sealed and Self-sealed export containers for ICTT from across the border.
- Customs has initiated a Single Window clearance system comprising six Govt. agencies; FSSAI, Drug Control, Plant Quarantine, Animal Quarantine, Textile Inspection Agency and Wildlife Inspection Agency, for clearance of import cargo
- The Govt. has decided to provide container scanning machine at ICTT so as to reduce delays and enhance security of the cargo.



Shri G. Senthilvel (second from right) in meeting with Shri C. Paulrasu (second from left)



Chairman Shri G. Senthilvel addressing the trade meet at Erode.

Project updates

Construction of Flyover and ROB at Vallarpadam

As a long term measure to decongest city traffic through National Highway Connectivity to ICTT, construction of a Flyover and ROB has been taken up by the Port as a Govt. Budget Supported scheme. The work of Construction of Flyover along with ROB at Vallarpadam has been awarded at a total cost of Rs.59.97 crores on 09.02.2015. Both the works are in progress and are scheduled for completion by November and December 2016.



RoB, Vallarpadam



Fly over, Vallarpadam

Capacity Enhancement of Coastal Liquid Terminal

The work consisting of (i) Connecting the SBM Shore Tank Farm (STF) line (crude) passing through the island behind Cochin Oil Terminal (COT) to the existing crude line at COT and (ii) Re-modeling of North Tanker Berth (NTB) has been awarded for an amount of Rs. 22.45 crores on 10.08.2015. The work is in progress and is scheduled for completion by November 2016. Ministry of Shipping has sanctioned Rs. 14.9625 crores for the scheme and the balance cost is being funded by BPCL-KR.

Multi User Liquid Terminal

The construction of Multi User Liquid Terminal (MULT) for handling LPG, bunker fuel and other POL cargo is in progress at Puthuvypeen SEZ. The physical progress of work achieved is 16.65%. The project, estimated at Rs.217 cr, was started in September 2015 and is expected to be commissioned by September 2017.

Out of the total project cost, Rs.182 cr is funded by Indian Oil Corporation Ltd (IOCL), one of the co-developers of the SEZ. As per the Agreement, IOCL will use the berth for a maximum of 161 days for handling LPG in a year free of berth hire charges and Cochin Port Trust will be free to use the Terminal for the balance 204 days. A dedicated barge berth is also being constructed adjacent to the MULT for supplying bunkers to ships calling at anchorage/ berths.



MULT Terminal

The proposed terminal can reduce road haulage of LPG through Kerala. LPG storage tanks are being constructed by IOCL in Puthuvypeen SEZ.

Cochin Outer Harbour Project

A study by IIT, Madras on methods of reducing erosion and siltation, recommended the need for developing an Outer Harbour in Cochin. Accordingly, Port is proposing to develop an outer harbour in phases.

In the Phase-1 of Cochin Outer Harbour 2,200m long southern breakwater with reclamation of 260 acres for Indian Navy and 4,200m long northern breakwater with reclamation of 980 acres for Port use are proposed.

MoEF&CC has issued ToR for conducting EIA study for the project. Preparation of EIA report for obtaining Environmental Clearance (EC) for the project by L&T Infra Engineering is progressing. The revalidation study and studies as per ToR for obtaining EC is entrusted with IIT, Chennai and the study is in progress.

Meantime, NCESS, Thiruvananthapuram has been approached for preparing CRZ map of the project. Port is planning to submit application for EC to the project to Kerala State Pollution Control Board and KCZMA shortly.

New Cement Terminals

Zuari Cements have commissioned their plant at the 6 acre land leased near Q5, and normal operations have commenced in March, 2016. This is in addition to the existing cement terminals of Ambuja Cements and Ultratech Cements.

Penna Cements have started the construction of their cement plant and Malabar Cements, a Govt. of Kerala PSU, have taken over 7 acres of land in the port area for setting up a Cement plant.

There will be an increase of about 2.5 MMT of cargo throughput when the plants are in operation.

Chairman meets Chief Minister



Shri G. Senthilvel, Chairman meets Shri Pinarayi Vijayan, Hon'ble Chief Minister, Kerala.



Chairman, Traffic Manager and Chief Engineer in discussion with Chief Minister

Cochin Port Trust Chairman, Shri G. Senthilvel called on the Chief Minister, Government of Kerala, at his office in Thiruvananthapuram along with Dr. C. Unnikrishnan Nair, Traffic Manager, and Shri G. Vaidyanathan, Chief Engineer on 10th June 2016. Shri G. Senthilvel requested the Chief Minister to resolve the pipeline issue for the LNG terminal as the terminal constructed at cost of Rs.4000 crores is operating only at 8% capacity and the under utilisation is affecting Cochin Port Trust's revenues. With the pipeline connectivity to Mangalore (via Thrissur, Malappuram) and Bangalore (via Palakkad), Cochin Port will earn additional Rs.100 crores which will make the Port come out of its losses and make profit. The State Government will also earn revenue through VAT.

He also apprised the various ongoing and proposed projects in the Cochin Port, especially the development aspects and issues relating to Vallarpadam International Container Transshipment Terminal (ICTT).

The Chief Minister assured the support of the State Government to resolve the pipeline issues of the LNG terminal as it is one of their priority. The CPT team also met Dr. Thomas Issac, Finance Minister, Government of Kerala who has assured support to remove the road blocks to ensure the tempo and growth of the Port development. Issues related to environmental clearances relating to various projects were apprised by the CPT team to the Chief Secretary, Government of Kerala who has promised to look into it shortly.

SOP for handling cruise ships

The Ministry of Tourism, Government of India, has brought out a Standard Operating Procedure (SOP) for handling cruise ships at Indian Ports. As per the SOP, the cruise ships will be given international standards of service with minimum clearance time by all enforcement agencies like Bureau of Immigration, Customs and Port security. Also, the SOP envisages easier procedure for Visa issuance and simplified procedure (Single window clearance) for embarkation and disembarkation. Cochin Port has already complied with the SOP. Last year, Cochin Port handled 33 cruise vessels including Ovation of the Seas, Queen Mary-2, etc. Some of the biggest cruise vessels in the world which had called Cochin Port last year had only Cochin as the destination in India. This year, 46 cruise vessels are expected to call Cochin.

Cruise Tourism



Exchange of Plaque by Chairman, Shri G. Senthilvel and Captain, Ovation of The Seas



The second largest luxury cruise liner in the world M.V. Ovation of the Seas visited Cochin on 01.06.2016 with nearly 5,800 people, 1,800 crew. Other prestigious cruise vessels called at Cochin during the season include M.V. Queen Elizabeth and M.V. Queen Mary-2 on 13.04.2016 and 14.04.2016 respectively.

International Bunker Meet

The third Annual International Bunker Meet "Destination Cochin" hosted by Cochin Port was held at Hotel Crowne Plaza on 13.05.2016. Eminent speakers from various bunker business houses across the country have shared their thought and experience in the conference. A total of 180 invited delegates from USA, England, Dubai, Maldives and Singapore have attended the conference.



The Inaugural Session was presided by the Chairman, Shri Paul Antony IAS, Miss Reshma Lakhani IRS Commissioner (Central Exise) and Dr. K. N. Raghavan IRS, Commissioner (Cochin Customs) were the guest of honours. Shri Prasad Panicker, Exe. Director (BPCL-KR), Shri C.S. Shankar, Exe. Director (IOCL) and Shri Rajnish Mehta, Exe. Director (HPCL) were key speakers for the session.

The Chairman announced the deployment of new expert Committee with participation of stake holders to monitor the bunkering

activity in Cochin Port. The Committee will keep a vigil to prevent any untoward activity which will tarnish the business at Cochin. The session was concluded with a Q & A session.

The Business session was moderated by Capt. V. K. Singh, CEO, Shreyas Shipping Ltd. and papers were present by Capt. Sanjay Gupta, Sr. Vice President, Petronet LNG, Shri Ashish Khanna, Chief Manager, Hindustan Petroleum Corporation Ltd., Shri Manoj Tandon, General Manager, Adani Bunkering and Shri Partha Datta,

DGM (Consumer Sales), Indian Oil Corporation Ltd.

The Technical session was moderated by Shri Shuvendu Gupta, GM, HPCL and papers were presented by Shri Thangapandian S, Director, Gulf Petrochem, Dubai, Shri Simon Neo, Regional Manager, Asia International Bunkering Industry Association, Singapore, Capt. Kapil Dev Bahl, Director, Murray Fennton Ltd., Mumbai, and Shri Sujeet Muthu, Sr. Consultant, Endress, Mumbai.

Regular weekly service of container train

A regular weekly service of container train was started from Irugur ICD Coimbatore to ICTT Vallarpadam, on 16.1.2016.

The train from Irugur starts on all Saturdays and returns from Cochin on all Thursdays. The Saturday trains are scheduled to connect the direct shipping services to Far East, China, Europe and Middle East leaving Cochin on Monday and Tuesday. The import containers from these mainline ships can be moved to Coimbatore by the Thursday return service. By availing this service, exports to Europe will save 7 days by avoiding Colombo transhipment.



Dy. Chairman Shri G. Senthilvel, flags off the train service at Irugur

Visit of Secretary (Tourism)

Sri Vinod Zutshi, Secretary (Tourism), Govt. of India, visited Cochin Port on 04.03.2016. He held detailed discussions with senior officials of Customs, Bureau of Immigrations, Kerala Tourism and Cochin Port Trust. He paid a visit to the cruise ship INSIGNIA which had called the Port. He also visited the newly started temporary shopping arcade for cruise tourists in the Samudrika (Cruise Terminal).



Sri Vinod Zutshi, Secretary -Tourism (3rd from right) at Samudrika

Cochin Port Day



Chairman, Shri G. Senthilvel speaking on the occasion of Port Day, Smt. Gowri S. Nair, Secretary, Smt. Nina Paul, Shri Paul Antony IAS, former Chairman, Shri Mohammed Haneef, Trustee, Shri C. D. Nandakumar, Trustee are also seen



Chairman and Heads of Department hand over collage of photographs of events held during the last five years to former Chairman Shri Paul Antony, IAS

Port Day was celebrated on 26th May 2016 commemorating the arrival of first ship (S.S. Padma) in Cochin Port in 1928. Former Chairman Shri. Paul Antony, IAS,

the Chief Guest, honoured the major ex-im performers during the business session. Outstanding performers from among employees and former Chairman, Shri.

Paul Antony were felicitated during the commemorative session that followed. A passenger vessel was kept open for visit by general public.

Quarterly meetings with Unions & Federation of SC-ST employees

Meeting as part of regular mechanism for mutual consultation between the management and the recognised labour unions to ensure better industrial relations was held on 30.03.2016. The grievances and issues pertaining to the workers were discussed in the meeting attended by Chairman, Heads of Department and the representatives of unions.

Meeting with the representatives of Federation of Central Govt. SC/ST employees (Kerala), Cochin Port Trust Unit was held on 10.05.2016 and the grievances submitted by the Federation were addressed.

HCM Adalat

An adalat was conducted on 05.04.2016 by the Chairman for redressing the employee related grievances raised by the major trade unions pursuant to formation of HCM (Human Capital Management) Division on 19.09.2015 centralising the HR functions of the Port. All grievances were addressed during the Adalat and taken up for speedy redressal.

Excellence in implementation of Official Language

Cochin Port Trust was honoured with Rajbhasha Shield & Certificate of Commendation by the Hon'ble Union Minister (Shipping) in the Hindi Salahkar Samiti Meeting held on 06.01.2016 for excellent implementation of Official Language during 2012-13.

Apart from this Cochin Port Trust was awarded with 3rd. prize for Official Language Implementation and its house Journal "Cochin Lahar" by Town Official Language Implementation Committee (PSUs), Kochi



Shri Paul Antony, Chairman receives Shield from Hon'ble Minister for Shipping.



Dr. C. Unnikrishnan Nair and Smt. Susan Varghese, Asst. Secretary (OL), receive prize from Shri G. Muraleedharan, Chairman, Cochin TOLIC and General Manager, BSNL.

Appointments / Transfer



Shri G. Vaidyanathan, Dy. Chief Engineer, Visakhapatnam Port Trust was appointed as Chief Engineer, Cochin Port Trust on 11/05/2016.



Shri B. Bhagyanath, Sr. Dy. CAO, was appointed as FA & CAO, Cochin Port Trust on 10/06/2016



Dr. C. Unnikrishnan Nair, Traffic Manager, Cochin Port Trust was transferred to JNPT, Mumbai as Chief Manager (Traffic)

Financial Turnaround of the Port

Cochin Port has been continuously incurring losses since 2008-09 due to increase in the Maintenance Dredging cost to maintain depths upto 14.5 meter in the channels. The maintenance dredging cost increased from below Rs.50 crores per year to Rs.120crores and also the salary and pension expenditure increased due to wage revision. The LNG Terminal's 8% capacity utilisation due to pipeline issues further deepened the crisis.

The Port has implemented strict austerity measures to overcome the crisis. The measures taken includes stoppage of overtime except in operational areas, restricting EL Encashment except for retiring employees, reduction in the CISF deployment by conducting re-survey of strength etc. By judiciously planning deployment of the Trailing Suction Hopper Dredgers (TSHDs) on need basis, the expenditure and quantity of maintenance dredging has been brought down from Rs.122 crores to Rs.100 crores. This has resulted in restricting the operating expenditure to Rs.366.35 crores in 2015-16 as against Rs.366.27 crores in 2014-15.

The Port has also taken various steps to improve the revenue streams of the Port. By giving concessions to Mainline vessels, the Port could attract more vessels in ICTT. The Port handled 1628 vessels in 2015-16 compared to 1476 in 2014-15. For the first time, the container traffic crossed 4 lakhs TEUs and achieved

Due to restricting the operating expenditure and the increase in the operating income, the Port has registered the highest ever operating profit of Rs.70.89 crores in the financial year 2015-16 as against Rs.19.55 crores achieved during 2014-15.

4.20 lakh TEUs as against 3.66 lakh TEUs in 2014-15. The operating income of the Port has increased to Rs.437.24 crores in 2015-16 as against 385.82 crores in 2014-15.

Due to restricting the operating expenditure and the increase in the operating income, the Port has registered the highest ever operating profit of Rs.70.89 crores in the financial year 2015-16 as against Rs.19.55 crores achieved during 2014-15. The Port could reduce the Net loss from Rs.72.05 crores in 2014-15 to Rs.40.52 crores in 2015-16.

The Port could also utilise the land resources effectively. By allotting land to various Cement Terminals, CFS, handing over of Workshop and Dry Dock to CSL for setting up of International Ship Repair Facility (ISRF) etc, the Port could raise Rs.250 crores (approx) during the last five years. This helped the Port to meet the liability on account of pension during the previous years and also paid the wage revision arrears to employees.

However, the increase in the Pension Cost remains as a major concern to the Port. As against the actuarial liability of Rs.2703.22 crores as on 31.03.2016, the Port has only about Rs.100 crores in the Pension Fund Trust.

The additional cargo throughput from BPCL after its expansion by the end of this year, income from LNG Terminal after establishing the pipeline connectivity within the next two years and the consistent growth in ICTT will bring more revenue to the Port in future and expect that the financial position of the Port will improve considerably.

Promotion of Yoga

The 2nd International Day of Yoga was celebrated on 21.06.2016. Yoga Shiromani Shri Johny Jose, Dy. Chief Accountant, Finance Dept. led the Mass Yoga Demonstration.

Shri. Roshan Andrews, renowned Malayalam film director, Shri G. Senthilvel, Chairman and Smt. Gowri S. Nair, Secretary spoke on the importance of Yoga in daily life.

A Class on "Upa Yoga" by Isha Foundation was also conducted as a follow-up programme on 16.07.2016.



Class on Upa Yoga



Shri Johny Jose



Yoga demonstration on the International Day of Yoga

Swachh Bharat activities



Cleaning activities conducted by Civil Engineering Department.



Cleaning activities inside offices

Regular cleaning activities were carried out by all departments during the period and the cleanest department and offices were felicitated.

Action has been initiated for installing CCTV cameras in various locations to monitor and prevent unauthorised dumping of wastes. Kudumbasree, a self-

help group under the Govt. of Kerala, has been entrusted to collect degradable and biodegradable wastes from residential quarters, bunks, companies, hotels etc. Biodegradable wastes are being converted to vermicompost.

Action has also been initiated to prohibit the sale and use of plastic bags below 50

microns, urination, spitting and defecation in open/public places and display of flex boards and plastic posters in the Port area.

Swachhta Pakhwada was observed during 16-30 June 2016. The administering of the Swachhta pledge and special cleaning activities were led by the Chairman, Shri G. Senthilvel.

Green Port initiatives at Cochin

The World Environment Day was celebrated in Cochin Port Trust with various programme including planting of saplings, awareness class on Environment Protection Act and Rules etc. Shri G. Senthilvel, Chairman and Heads of Department planted saplings near Samudrika Convention Centre. Ms. Rameena, Assistant Engineer, Pollution Control Board, Kerala State conducted awareness class for employees.

Cochin Port Trust proposes to plant 500 saplings in the port area and office premises during the monsoon season. Cochin Port has been promoting several "Green Port" initiatives including;

- ❖ Cold Frontage Shore Power supply has been introduced at the berths
- ❖ Construction of a Septage Treatment Plant is in progress at South end of Willingdon Island.
- ❖ Effluent Treatment Plant has been established in the Cochin Port Trust Hospital.



Chairman, Shri G. Senthilvel, plants a sapling marking the celebration of World Environment Day

- ❖ Bio Gas Plant has been installed in the CISF Barrack complex.
- ❖ Action has been initiated for establishment of a 150 KW Solar Power Plant on the roof top of Port Substation, installation of Bio Gas

Plant in the Nursing School and a Vermi Compost Plant in Willingdon Island.

- ❖ The Port has also decided to lease out land in Willingdon Island for Organic Farming.

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