Top View

Vineet Malhotra
Senior Vice President

The dawn of a new era" – that's how IATA refers to e-freight's entering the domestic market of India. At Kale we are already on the same page as we have been working on this initiative to make paper redundant in both India's Domestic and International Air Cargo supply chain.

In this respect our industry solutions, UPLIFT & WIN have witnessed a very encouraging response from the Global Logistics Community. Within a year of its inception, UPLIFT which is India's first Cargo Community System developed in partnership with ACAAI - the largest body of IATA approved air cargo agents, has accomplished a significant mark by getting 100+ Forwarders & Custom House Agents on board along with major airlines using the solution. An additional 85 global airlines will soon go live on UPLIFT. On the global front, Kale's WIN platform developed in partnership with WCA Family of logistics network for global independent forwarders has recently gone live with 212 key global clients and has a promising future. Both WIN & UPLIFT are mutually synergistic solutions which endeavor to electronically connect Indian Logistics community with their global partners.

Today, the challenge for the industry lies in continuous communication between all stakeholders, i.e. shippers, freight forwarders, airlines, terminal operators, consignee and other government bodies. In this issue, we look at ways to work together to educate each other and find ways of making operations easier. The Case Study published in KPMG's 'Top 10 Innovations in Indian logistics Industry' highlights the key reforms that a good Cargo Community System can bring in the Indian Logistics industry. REFLECTIONS- our special Guest column features logistics expert & industry veteran Captain Dinesh Gautama, Advisor – Container Shipping Line Association of India. Capt. Gautama emphasizes on the importance of improving distribution of goods & increasing the technology adoption rate in the Indian logistics sector. IN FOCUS is the profile of our new offerings PYXIS-A Warehousing & Distribution Management System and HELIOS- A Transportation & Fleet Management System. A quick recap of 2011 in our Events & Happenings section will give you a deeper insight of what has been driving us all at Kale Logistics.

It gives me special pleasure to share the honor that Kale has been recognized as the "Best SCM Solutions Provider-2012" at the Indian Supply Chain and Logistics Summit Excellence Awards and also as "Best Technology Service Provider-2012" at the Logistics Week Summit. I sincerely thank you all for your continued support and patronage in all our endeavors at Kale Logistics. For any feedback or suggestions do write in to us at info@kalelogistics.in.

Enjoy Reading!

Vineet Malhotra
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Captain Dinesh Gautama
Vice Chairman – Container Shipping
Line Association of India.

> " A multi-modal platform will definitely help in getting the logistics sector better organized. It will behave as a business to business (B2B) portal as well as a business to consumer (B2C) portal. "

Captain Dinesh Gautama Vice Chairman - Container Shipping Lines Association, is somebody with an academic inclination towards all things shipping. Here he shares his viewpoint on concerns and solutions for Container Logistics Industry in India.

How does the Container Shipping Line Association of India intend to improve the distribution of goods?

Cpt. Gautama: The members of the Container Shipping Lines Association (CSLA) have come a long way in providing liner services and improving the distribution of cargo's to and from India. Earlier, India's fleet comprised only of dry cargo break-bulk ships. There was an ingrained fear to embrace "containerization". Containers and Containerships were looked upon as a highly "capital intensive" assets. So, initially only "container-oriented" ships of size 404 TEUs were ordered. After a decade, India acquired two cellular container ship of size 1757 TEUs. Thereafter 2 container ships of size 4000 TEUs were again acquired by the state-owned company, SCI. This was a good step. CSLA members provide a myriad of services to all parts of the globe and this appears to be improving though there are downturns in every cyclical business cycle.

How has the role of Container Logistics deepened post its emergence from its toughest two years of trade? (2009-2010)

Cpt. Gautama: During recession, the Logistics sector certainly came under pressure as there was a slow-down of trade. Though freight volumes continued to go out of our country, the rate of growth was less. The freight volumes to USA and UK dropped considerably, but Indian trade was safe thanks to the Intra-Asian trades being very strong. The cargo volumes dropped from 30000 TEUs exports per month to about 22000 TEUs during the recession. Thereafter, it increased again and is today hovering at around 24000 TEUs. The members of the Container Shipping Lines Association keep looking at opportunities to assist the Indian trade develop and increase in size.

As the shippers demand is fast growing, how do you think a multi-modal and well integrated logistics solutions will help improve the ease of business for the forwarder?

Cpt. Gautama: A multi-modal platform will definitely help in getting the logistics sector better organized. It will enable Indian Freight Forwarders (FF) and Multimodal Transport Operators and the Custom House Agents (CHA) and other organizations to electronically communicate within themselves and with other stakeholders of the cargo community. It will behave as a business to business (B2B) portal as well as a business to consumer (B2C) portal. UPLIFT, India's first multimodal Cargo community portal, which is growing in a big way, is sure to help the entire cargo fraternity meet the ever rising demands of the shipper. It will automate the Forwarders internal business functions bringing about improved efficiency of operations and visibility.

India as a country has been slow to adapt to technological advancements which has hindered the economic growth. What steps are being taken to increase the technology adoption rate?

Cpt. Gautama: According to me, for technology to work, the age-old laws need to be updated. Barring the legal hassles in law, the best that the container industry stake holders can do is to automate their operations and communication mechanisms. For this there are good solutions being provided by Indian IT players today which address all the major issues faced by the CFS operator in terminal operation, container inventory and yard management, bonded and non-bonded warehousing, back to town processes, maintenance and repair and damage and loss of shipments. The

solution will eliminate bottlenecks (resulting from manual processes) and redundant activities through process improvement and provide real-time information with greater visibility. It will also improve profitability by maximizing container and cargo throughput, space utilization and labor efficiency.

What are the future trends you foresee in the Container Industry in the year 2013?

Cpt. Gautama: I foresee a spread over of containers on many more ports like Hazira, Dighi, Vallapatnam, Vizhijan, Kuttapalli, Krishnapatam and Ennore. This should increase the containerization throughput to 11-12 million TEU's. The government hopefully should make amendments to the outdated laws which are hampering the process today. Better infrastructure of road and rail will also enhance our productivity as each is inter-dependent on the other. Information technology which is fast growing will further streamline the process and make the logistics sector a paperless industry.

Air freight

Coupling businesses, decoupling inefficiencies

Kale Logistics Solutions

CONTEXT

The movement of air cargo in the Indian scenario gets affected on account of multiple factors that contribute to higher lead time in the movement of cargo, increased paper work, delays and other inefficiencies. The stakeholders of the cargo community in India - freight forwarders, Custom House Agents (CHAs), consignors, consignee airports, seaports, airlines, transporters, and customs amongst others - have to grapple with many challenges to perform their core job of transporting the cargo, timely, safely and within budget.

COMPLICATION

Almost all the key stakeholders were facing their own set of operational hurdles that practically converged into one single issue of smooth and timely exchange of information across the players and their diverse technology platforms with different capabilities:

Consignors: Lack of shipment visibility across the supply chain prompted the consignors to stock larger inventory to minimize stoppages in assembly line production. For lack of end-to-end automation, even world class Enterprise Resource Planning (ERP) systems on part of consignors could not be of much rescue due to lack of similarly capable interactive systems on the part of other stakeholders (Forwarders, CHA, Transporter, Banks and Consignee) in the supply chain.

Freight forwarders: Forwarders' role on coordinating shipment's entire movement involved interaction with several stakeholders, but via manual/semi-automated media, entering the same data in at least 6-7 different systems during the transit of goods which ultimately results in delays, increased costs, errors.

Airlines: Given that most of the forwarders did not have the capability to electronically create and transmit the shipment data, the clients (a leading Indian private airline and a leading middle-eastern airline) too used to receive enquiry & booking requests manually which added to its costs, reduced profitability, impaired planning and delayed transportation. Also, there was no audit trail for future reference. In case of loss of papers, airlines' failure to reproduce critical documents resulted in penalties. Inappropriate

charges on waybills cause erroneous Air Way Bill (AWB) information which in turn leads to revenue leakage and redundant data entry. Above all, several clients missed market opportunities due to inability to reach the highly fragmented freight forwarding industry in India.

CHAs: Clients like Transline Air Cargo Services Pvt Ltd had to manually handle a lot of documentation (related to operations, finances and forwarding) in addition to communicating through phone/ e-mails including those related to job status. Also, several CHAs' systems were not able to maintain customer contracts/ quotations.

RESOLUTION

To address these challenges, Kale Logistics in association with Air Cargo Agents Association of India (ACAAI) and other stakeholders from the air cargo industry developed Universal Platform for Logistics & Freight Transport (UPLIFT) – first-of-its-kind communitywide automation platform for the air cargo industry. The product addressed most of the challenges faced by the industry stakeholders by mutually integrating a variety of clients: freight forwarders, CHAs, consignors, consignee airports, seaports, airlines, transporters, and customs, etc.

Consignors: UPLIFT provided clients with complete shipment visibility and also ensured seamless interface to directly exchange data between consignors' systems and UPLIFT, thus ensuring end-to-end automation across the supply chain.

Freight forwarders: Challenges that originated due to forwarder's (Links Forwarders' and United Shipping Services Pvt Ltd) complex coordination with multiple stakeholders were resolved by providing a single window for interactions with all involved entities. Forwarders no longer needed to re-enter the data that had been
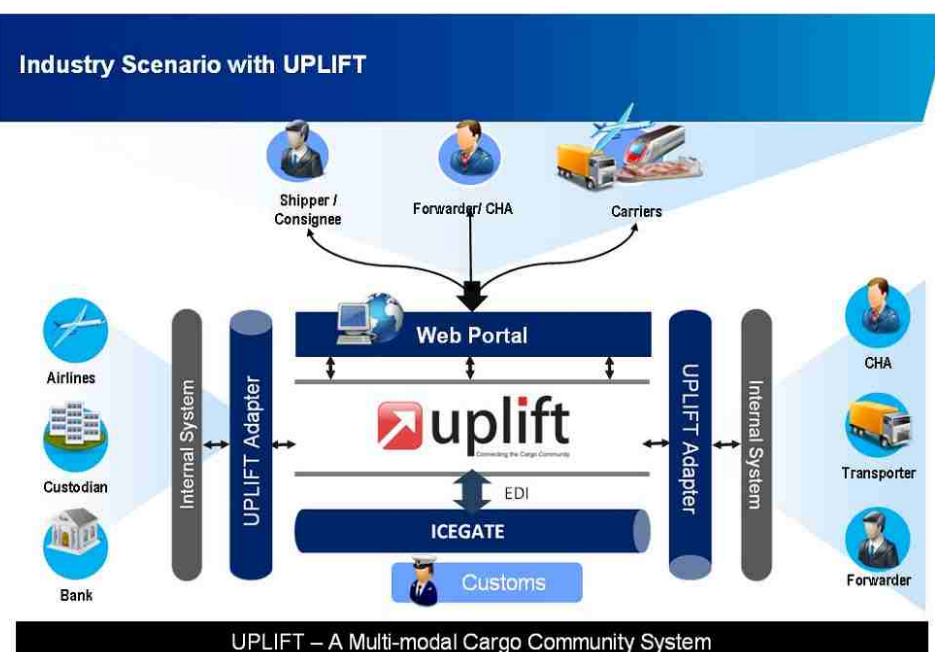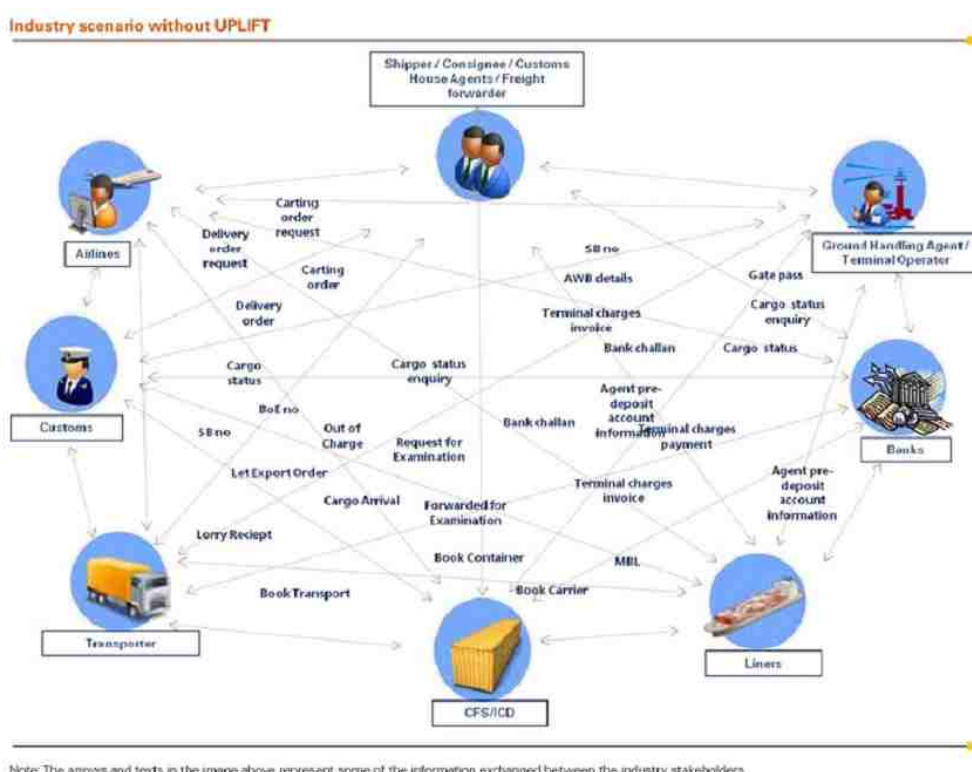
entered by shipper at his end as this data now got automatically updated into the UPLIFT system and was made available to all the constituents in the cargo supply chain.

Airlines: UPLIFT enabled electronic receipt of waybill data like Master AWB/House AWB for airlines. Post UPLIFT implementation, airlines (a leading Indian private airline and a leading middle-eastern airline) received alerts from custodian / agent regarding Freight Status Update (FSU) messages and GALAXY (enterprise wide cargo handling system for cargo ground handlers) messages. Such electronic communication prevented revenue leakage and redundant data entry. Further, UPLIFT, staying updated always, helped airlines remain compliant with global initiatives such as e-freight, without which airlines would have to bear the costs in storage / maintenance of physical documents.

Customs House Agents: UPLIFT resolved the complications of CHAs too (Sanco Trans Limited & Links Forwarders): they can now electronically execute multimodal air-ocean transactions, resulting into significant cost saving with UPLIFT's multi-branch feature that can be accessed from anywhere and anytime.

OUTCOME AND IMPACT

Kale Logistics's innovation in the form of UPLIFT has practically overhauled the entire supply chain of its clients across the industry segments.

Note: The arrows and texts in the image above represent some of the information exchanged between the industry stakeholders.

OUTCOME AND IMPACT

Specifically, UPLIFT has benefitted clients in following ways:

- Successfully eliminated manual operations, paperwork, redundant data entry and brought end-to-end shipment visibility across the supply chain

- Addressed key concerns of Indian custodians like MIAL by directly interacting with its present system (GALAXY), by reducing data entry effort and time, thus improving user productivity by 70 percent

- Enabling smooth transportation of around 28 percent of India's air cargo shipments, since currently more than 40 freight forwarders and 38 CHAs get benefitted from the UPLIFT Air Cargo process. The system is connected to India's largest airport terminal operator MIAL-Mumbai International Airport for custodian operations and is exchanging EDI messages with more than 7 large airlines and with Indian Customs.

- Indian forwarders moving from manual operations to online filing through UPLIFT can look forward to at least 2/3 savings from its current costs per shipment which can be around 8-10 Euros for filing a single shipment as per EU regulations.

- Even the Airlines experience significant time & efforts saving due to electronic filing of AWBs coming from UPLIFT directly to their system, which they otherwise have to capture manually. This also avoids errors in data entry.

Carving Continuous Excellence!

www.kalelogistics.in

> "Adopting a single window platform such as UPLIFT to communicate with all the stakeholders involved in cargo transportation and logistics will eliminate redundant communication and increase efficiency, thus reducing the overall operating cost."

Sumeet Nadkar
CEO & MD
Kale Logistics Solutions

200,000+ Messages | 1400+ Users

Shipment Delivery to over 100 Destinations Globally

www.upliftindia.com

PYXIS™ BACKGROUND

Kale's PYXIS™ Warehouse Management solution optimizes every stage of the warehouse process starting from the point an inbound shipment enters the warehouse until after an outbound shipment leaves. PYXIS™ is a readily configurable system in which the user can define the location rules, package types, picking rules, shipment procedures, packaging techniques, and all other significant details regarding warehouse operations. These extensive PYXIS™ functions help in improving the distribution centre's operations by minimizing costs and increasing productivity.

A comprehensive web-based software solution built on ground reality can make these processes hassle free. Such a system should be efficient, facilitate communication between all stakeholders and provide decision support at all levels.
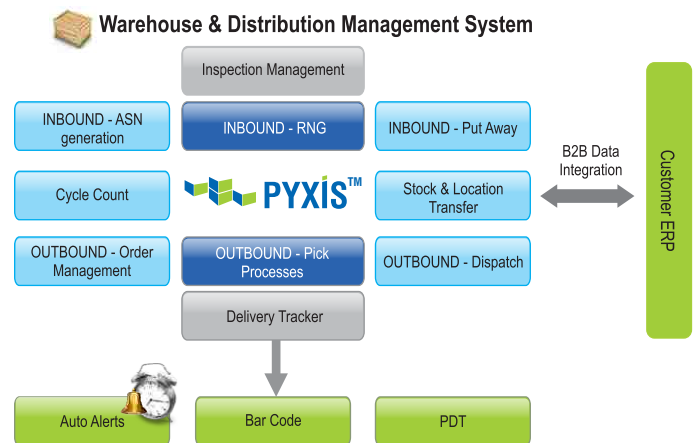
KEY FUNCTIONALITY

PYXIS™ is a feature rich application and it allows a simple word flow in sync with a typical warehouse process. The PYXIS™ system incorporates inspection management, un-bound processes like Advance Shipping Notice, GRN and Put away processes, PYXIS™ also enables the cycle count and stock location transfer. Out-bound processes like order management, pick process, dispatch and delivery tracker are the intrinsic features of PYXIS™.

Features:

- ↗ Web-based online Warehouse Management System
- ↗ Total visibility of all inbound orders.
- ↗ Complete support of ASN's which can either be sent directly to PYXIS™ or via the host system.
- ↗ Single receiver can work on multiple incoming orders simultaneously.
- ↗ Captures all information possible at the moment of the goods reception including all lot numbers, serial numbers and all dates.
- ↗ Information about location to customs is through online access.
- ↗ Handles unexpected shipments and multi-customer, multi-location warehouse for 3PL.
- ↗ Advance location management for better warehouse usage.
- ↗ B2B integration with customers ERP for online information update.
- ↗ Simple single scan of a bar code, pallet ID, or pallet license plate
- ↗ PDT enabled use of hand held terminals for put-away, pick and cycle count.
- ↗ Modular architecture providing easy, web-based access to a growing library of new trading partner maps.

PYXIS™

Warehouse & Distribution Management System

A diagram depicting PYXIS™ functionality

BUSINESS BENEFITS

- ↗ PYXIS™ provides significant benefits to warehouse operators by improving productivity, lowering transactional costs and providing end-to-end visibility to all stake holders. This translates into:
- ↗ Improved inventory turns, increased inventory accuracy and improved visibility.
- ↗ Better connectivity to partners facilitating seamless flow of information and goods.
- ↗ Eliminates redundant set ups and tear downs in a multi-customer, multi-sku environment through order consolidation and sequencing
- ↗ Paperless transactions-eliminating paperwork costs while maximising quality
- ↗ Accurate, up-to-date web inventory visibility maximizes order fill rates, accelerates revenues and minimises inventory control costs
- ↗ Improved customer satisfaction resulting from better responsiveness to customer needs, improved product quality and shipping accuracy

PYXIS

Web based Warehouse & distribution Management System

The 5 Ps of Warehousing

Put. Process. Place. Pick. PYXIS™

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HELIOS™ TRANS

KEY FUNCTIONALITY

HELIOS™ TRANS caters to transportation service providers to help them manage entire business life cycle from vehicle request to placement to delivery to billing. It helps transportation companies to manage contracts with customers as well as vendors.

- ↗ Some of the key elements of HELIOS™ TRANS are:
- ↗ Vehicle request and placement
- ↗ Booking process
- ↗ Transhipment process
- ↗ Delivery process
- ↗ POD management
- ↗ Billing Lifecycle
- ↗ Customer and vendor contracts
- ↗ GPS enabled track and trace

BUSINESS BENEFITS

Visibility

- ↗ Real time Information of operations as well as costs
- ↗ Integrated solution offers full linkage from consignment booking to balance sheet
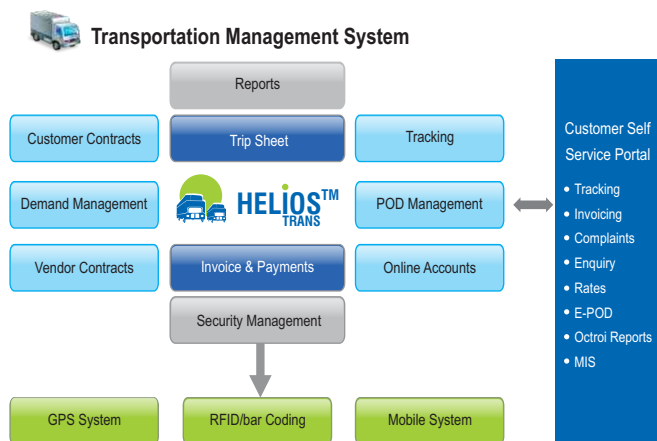
Business Volumes

- ↗ Manages higher work volume with same staff and facility
- ↗ Increased business with improved customer service
- ↗ Accurate customer information enables targeted sales effort

Working Capital

- ↗ Smaller and more accurate billing cycle
- ↗ Faster collections
- ↗ Daily control on cash & bank across locations

Cost Benefits

- ↗ Reduction in data entry time and effort
- ↗ Measurement of transaction wise profitability
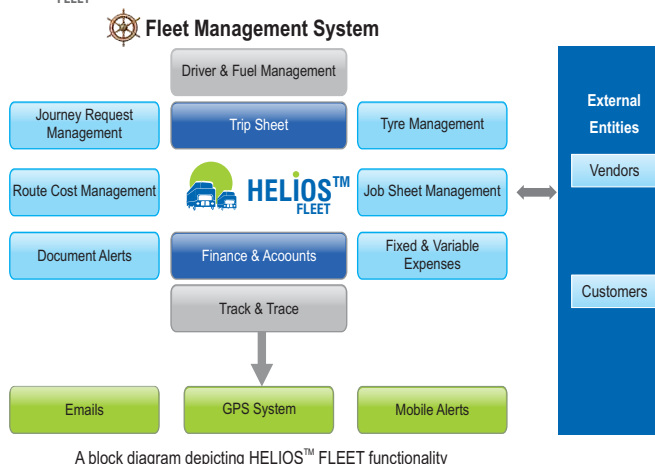- ↗ Tighter control on vehicle deployment expenses

HELIOS™
TRANS

Transportation Management System

A block diagram depicting HELIOS™ TRANS functionality

HELIOS™ FLEET

KEY FUNCTIONALITY

HELIOS™ FLEET has been designed to cater to the needs of Fleet Owners and Operators. It is a feature rich solution covering Trip Sheet, Job sheet management, Route Cost Management and Finance & Accounts. It additionally provides for following:

- ↗ Driver & Fuel Management
- ↗ Tyre Management
- ↗ Journey Request Management
- ↗ Document Alerts
- ↗ Fixed & Variable Expenses
- ↗ Track & Trace through- GPS, E-mail & Mobile A web based solution, it can be accessed by vendors & customers alike

HELIOS™
FLEET

A block diagram depicting HELIOS™ FLEET functionality

BUSINESS BENEFITS

Visibility

- ↗ For long haul routes, on the way tracking is essential
- ↗ Tracking from two sources: GPS and thus improved accuracy
- ↗ Time entered for arrival is matched with time given by GPS system. This reduces wrong time entry
- ↗ Estimate arrival time on the fly: Based on historic data, the systems predicts arrival time of a vehicle
- ↗ Better view of supply chain for customers: Customers can find where their invoice number is. This helps them plan their inventory better
- ↗ High value consignment tracking- a GPS device can be attached to a high value consignment to track it all the way

HELIOS
Web-based Transportation & Fleet Management System

Move beyond Trade & Trace

**Manage the entire Business Cycle.
From Booking to Balance Sheet.**

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Sumeet Nadkar - CEO & MD, receiving the
Best SCM Solution Provider award

Sumeet Nadkar - CEO & MD, receiving the
Best Technology Service Provider award

Kale Logistics Solutions Pvt Ltd. won the prestigious "Best SCM Solutions Provider of the Year-2012" award at this year's Indian Supply Chain and Logistics Summit and Excellence Awards 2012 organised by the Indian Chamber of Commerce (ICC) on 8th February 2012. It also received "Best Technology Service Provider-2012" award at this year's Logistics Week Supply Chain 2.0 Summit, organized by Hamburg Media. The awards were instituted to honour and recognise the successful initiatives & innovations taken up by the service providers to the Indian Logistics Supply Chain in creating industry benchmarks and adopting best practices.

Mr. D T Joseph - IAS & Former Secretary - Ministry of Shipping at the launch of **PYXIS & HELIOS - at CTL2011**

International Expo & Conference
Bombay Exhibition Centre, Mumbai, December 8-10, 2011

Kale Logistics participated in the 7th Edition of CTL 2011 as an exhibitor & a Key Panel member represented by Sumeet Nadkar, CEO & MD- Kale Logistics. Kale successfully launched two new IT solutions - PYXIS- Warehousing & Distribution Management System and HELIOS- Transportation & Fleet Management System. "Mr. D T Joseph - IAS & Former Secretary-Ministry of Shipping", and Mr. L. Radhakrishnan, Chairman-JNPT were present at the launch function.

20th Biennial Convention of FFFAI
Udaipur, India August 25-27, 2011

Kale Logistics participated at the 20th Biennial Convention of FFFAI to support its initiative of unravelling new facets of CHA's business. One such facet was uncovered in-depth by Mr. Sumeet Nadkar-CEO & MD of Kale Logistics, who emphasised on use of 'Simple technology tools to help Improve Excellence & Propel Growth' for Indian Custom House Agents at minimal investments.

Kale's CAPELLA facilitates EDI messaging with ICES 1.5 for ICD Custodians

Kale is the first company to introduce thoroughly tested EDI messaging for Indian ICD custodian's in compliance with ICES v.1.5 requirements. ICDs will now be able to exchange EDI messages from April 1st 2012 as per the e-Trade initiative, anchored by the Ministry of Commerce. CAPELLA software equips ICDs with the ability to send and receive shipment information electronically using standard EDI message formats. With real-time information transfer, ICDs will experience faster customs clearance and save time & manual efforts in inputting the data on ICEGATE

38th ACAAI Annual Convention
ISTA Hotel, Amritsar November 3-6, 2011

The 38th ACAAI convention held in Amritsar explored the dynamics of industry changes and the need for the Industry to come together to drive away legacies of the past and welcome the new world order. The key highlight at the convention was an update on "India's first Cargo Community Platform -UPLIFT". Mr. Sumeet Nadkar, CEO & MD- Kale Logistics spoke during Business Session VI "Technology- Achieving Critical Mass" about the key Industry wide IT initiatives being undertaken to bring Indian Cargo Community at par with their Global Counterparts.

National Association of Container Freight Stations
New Delhi, India September 22, 2011

On the occasion of the 16th Annual General meeting, National Association of Container Freight Stations (NACFS) organized a seminar to discuss various issues of the Indian CFS industry. Mr. Sumeet Nadkar-CEO & MD of Kale Logistics was invited as an eminent speaker to share his insights on the need of the "Extended CFS: Going beyond the Regular Operations". NACFS has been at the helm of things since its foundation to address the issues faced by CFS operators in the country.

Vivek is a techno-functional expert with a rich and diverse knowledge on varied aspects of Logistics business. He has over 18 years of experience, as a Business Analyst and Cargo Consultant to the Air Cargo Industry. At present he is spearheading Airline functionalities in India's first and only Cargo Community System – UPLIFT and manages Strategy and Pre-sales.

His expertise lies in providing intelligent solutions for Cargo System Design, Business Improvements, Business Planning and IT Solutions. In his current role at Kale, he plays a critical role in development, implementation and roll-out of Kale Airports& Logistics Industry solutions. He drives the UPLIFT adoption amongst the Airlines, and enjoys warm and excellent relations with Senior Management Team of various Airlines, Custodians, GHA and Freight Forwarders.

Prior to Kale, Vivek has worked with leading airlines namely Kuwait Airways and Gulf Air at both India and abroad for almost two decades.

Vivek Pandit
Manager - Logistics Practice
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