



# Kale Logistics

Technology that Transforms



## CASE STUDY

### Accelerating container movement and throughput with CODEX - India's first Digital Exchange Platform for Containers



15 CFS/ICD



0.7 Mn TEU/annum



12 Vessel Operators



400 Agents



30 Transporters

V.O. Chidambaranar (V.O.C) Port is a key ocean port of India, strategically located at the south eastern coast with operations round-the-clock. Being a major feeder hub, V.O.C has been witnessing phenomenal increase in trade volumes. The port has a dedicated container terminal operated by PSA International. V.O.C Port's traffic handling is more than 36.91 million tonnes as recorded in the year 2017. Its location which is close to East-West International Sea Route, offers direct connectivity to all major ports in the world.

### The Challenge

Various stakeholders at the V.O.C. Port like Freight Forwarders, Customs Brokers, CFS/ICDs, Transporters, Port Authority, Customs, Terminal Operators and Security forces (CISF) were hassled by the unorganised and redundant operations that involved long hauls, repetitive paperwork and operational hiccups. Owing to the increasing volume of port transactions and the haphazard movement of shipment vehicles, Tuticorin Port Trust formed the 'Seamless Movement Committee' consisting of the above stakeholders to undertake initiatives to align and manage the port transactions that would ensure seamless movement of cargo through the V.O.C. Port.

### Some of the key operational challenges faced are:

**Compromised shipment visibility:** There was no system that would report the status of a shipment as it moved from Shipper /CFS to Port and vice –versa. Additionally, there was limited or no access to the current status of shipment to monitor trade on real time basis.

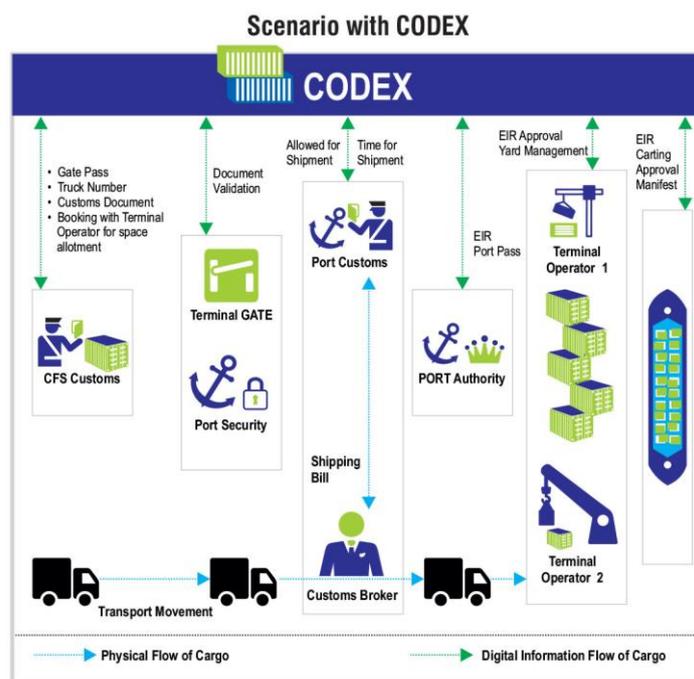
**Autonomous system:** There was no unilateral system connecting various stakeholders of the shipping trade viz., the Exporter/ Importer, the CFS/Shipper, the Forwarder/CHA, Transporter, the Terminal Operator, Customs, Port authority etc. Each of the stakeholders were attuned to disparate systems.

**High processing time:** Owing to the huge volumes of cargo and operations & documents procedures, authorities at V.O.C were challenged with huge amounts of haphazard cargo translating in increased dwell time. This led to unorganised information on shipments being percolated to the consecutive tiers of stakeholders which delayed the approval processes. This resulted in high turnaround time for trade transactions. Customs received non-cleared cargo at the terminal and faced difficulty in correlating the available terminal space with the container cargo accumulating at the Port Gate.

**Duplicate entry and errors:** Lack of a unified point of data entry resulted in repeated data entry efforts giving rise to errors and data ambiguity.

### The Solution

These stakeholders were looking for a solution that would not only address the current issues but also prove to be sustainable to the growing volumes of cargo operations. Chidambaranar (Tuticorin) Port Trust & Tuticorin CFS association joined hands with Kale Logistics Solutions to develop India's first Container Digital Exchange Platform – CODEX, to automate and digitally streamline the container movement at the V.O.C Port. This Electronic Data Interchange (EDI) based electronic platform expedited seamless movement of EXIM Containers in and out of the port from/to the Tuticorin based CFS/ICDs. It electronically connected the pertinent stakeholders and ensured transparency and ease of operational coordination. Though there were some initial hiccups pertaining to overall implementation of the application across all the peripherals of operations, realising the ease, flexibility and the accuracy offered by the application, all the operational stakeholders switched to complete adoption and implementation of CODEX. The application was also made available in a mobile app form to enable on- the-go tracking of containers on a real-time basis making real-time container information availability a reality for all the stakeholders.



A block diagram depicting proposed process after CODEX Implementation

A robust EDI based community platform - the CODEX was designed to offer all stakeholders with a clear visibility of Container movement. CODEX platform enables seamless movement of Containers from the Container depot (CFS/ICD) to the port & from port to the Container depot. CODEX facilitates proper communication, information-exchange, connectivity and electronic processing of key business transactions/ operations, which can be facilitated between all the stakeholders at the port and the related logistics value chain.

## CODEX features

CODEX offered a digital platform, enabling the ocean trade stakeholders a clear visibility on the movement of containers. Through the application, container movement could be tracked and authenticated at various milestones (checkpoints) on its way from/to port by means of a unique barcode attached to each container and the corresponding CODEX pass. This bar coded pass helped to track the movement of shipment right from the port entry to shipment loading point for exports and offloading to exit point for the import. The CODEX Pass brought standardisation and uniformity amongst various EXIM documents and is verified by the Customs.

CODEX brought all the stakeholders under one application umbrella, catering to their specific functions and offering customised system visibility based on role and authority.

Interfacing between the Exporter/ Importer, the CFS/Shipper, the Forwarder/, Customs Broker, Transporter, the Terminal Operator, Customs, Port Authority, Port Security was established by virtue of the interconnected platform offered by CODEX. This ensured streamlining of operations and greater transparency in Port operations.

CODEX decreased the turnaround time significantly as port was already aware of incoming cargo through online data and was well prepared. Since all the necessary paperwork was readily available online in predesigned format with all relevant information fields, documentation was speedy and accurate. This led to significant decrease not only in paperwork, but also in the processing time required for approvals.

Single data entry point aided in eliminating multiple data entry efforts and possible errors arising from duplicate and incorrect entries.

CODEX has been adopted as a mandate not only across the port but has also been appreciated as a standard document by the Customs at Tuticorin Port. Delighted with the positive changes brought about by CODEX, Mr. David Raja, President –Tuticorin CFS Association, stated,

"The CODEX project has been implemented in time as planned. We experienced a very successful trial run in last 3 months' duration. CODEX is already linking Tuticorin Port operations with V.O. C Port Trust system. In addition, other stakeholders including Shipper, Shipping lines and Agents amongst others have complete access to Container movement & details via both online portal and the Mobile APP."

## Business Benefits



## **CORPORATE OFFICE**

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