

PSTS Logistics to foray into coastal shipping

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Chennai, May 23

PSTS Logistics Pvt Ltd, a port-based logistics service provider on the east coast, is charting a growth path that will lead it to coastal shipping. The business plan envisages the turnover to touch Rs 300 crore by 2012 from Rs 100 crore this year.

PSTS is into the business of multiple port-based support services including shipping agency, stevedoring, customs clearance, CFS management, freight forwarding, chartering, heavy equipment hiring and trading, over-dimensional cargo handling, in-plant logistics services, warehousing and secondary distribution of export and import cargo, said

J Ganesh Ram, joint managing director of the company.

He told *FE* that “the service capabilities in these whole range of port logistics and the drive to grow has landed PSTS at the threshold of coastal shipping. We will enter into it as a joint venture with an experienced player. Initially, we will go for time charter of vessels and then invest in own fleet”.

Ganesh Ram believes that there is big business potential in coastal shipping which would be much easier and economical in future, with a slew of maritime projects like Sethusamudram ship channel, under way.

The growth in all fronts of economy, mainly in the infrastructure sector, including

ports, and manufacturing is opening up opportunities for logistics and support services, he said.

Started in 1940 as a shipping agency in Tuticorin by PSTS Thiraviaratnam, who is considered as the father of the major port of Tuticorin, PSTS plans to expand in all the areas of its existing operations.

It has a strategic alliance with the Central Warehousing Corporation in Chennai and owns and operates warehouses in Tuticorin. “We will build another warehouse in Tuticorin in tune with the rapidly expanding Tuticorin port with plans for two more terminals in the existing harbour and the project proposal for a Rs 4000-crore outer harbour project”, he said.

A major growth area identified by Ganesh Ram is import and trading of heavy equipment for ports and large corporate houses and in-plant material handling.

The company is also providing back-end services like supply of men, material and equipment to builders of major infrastructure projects like port terminals.

Headquartered in Chennai, PSTS has operational bases in Tuticorin and Vizag. It is planning to move to other ports and operate ICDs in Coimbatore and Bangalore.

For the expansion plans PSTS would have to raise funds. It is planning to take a call between an initial public offering or private placement.