

PSTS Group on expansion mode

Rs 50 crore through pvt equity planned

T.E. Raja Simhan

Chennai, April 26

The PSTS Group, a Chennai-based logistics service provider, plans to raise around Rs 50 crore for expansion, including setting up warehouses, enter coastal shipping and set up operations across India, according to its Joint Managing Director, Mr J. Ganesh Ram.

The group, with operations in Chennai, Tuticorin and Visakhapatnam, plans to raise funds through private equity and was in talk with potential investors. The Rs 85-crore company with around 600 employees hopes to have a turnover of around Rs 100 crore during 2007-08, he told *Business Line*.

It offer services such as shipping, stevedoring, custom clearance, container freight station (CFS) management, freight forwarding, vessel chartering, heavy equipment hiring and over dimensional cargo handling, heavy equip-

ment trading, warehousing and packaging, transportation and distribution, in-plant logistics services and customised logistics solutions.

Since 2004, the group manages four CFSs through an alliance with Central Warehousing Corporation. The group now plans to start an inland container depot near Chennai, he said.

The group's association with Reliance Logistics Tamil Nadu (P) Ltd was over on March 31, 2007. This follows a decision by Reliance Logistics to merge its 16 independent business units into a single entity, said Mr Ram, who was the CEO of Reliance Logistics Tamil Nadu.

In 2002, the group entered into a joint venture with Reliance Logistics Ltd in Tamil Nadu and Pondicherry for full truckload trucking and multi-modal transportation. The group had a 40 per cent stake in Reliance Logistics Tamil

Nadu and investment in the joint venture was around Rs 60 lakh, he said.

INFRASTRUCTURE BOOM

According to Mr Ram, to capitalise on the infrastructure boom, PSTS recently expanded into trading new, reconditioned and used heavy equipment such as crawler cranes, mobile cranes, earth-moving equipment and construction equipment. It has developed associates in the Far East to offer consultancy in sourcing, on-time delivery and service back up.

It normally takes two years to take delivery of new equipment made in India. Importing, however, shrinks this time to 2-3 months. A new 60-tonne cost around Rs 4 crore, and the amount was the same even when imported. Some of the imported equipment was as-is-where-is-basis and need to be repaired in India, and some are in good condition and deployed immediately, he said.