



KARAIKAL BEACON

Newsletter from Karaikal Port



COASTAL CONNECTION

BHEL Cargo bound for Tripura being loaded at Karaikal Port

CHAIRMAN SPEAK



GRK Reddy
CMD, MARG Group

A world class Port project offers more than operational excellence. New records in cargo handling are translating into upgraded credit ratings for Karaikal Port, establishing the fact that the Port is both customer as well as investor friendly. MARG will be associated with the vision of Sri A. P. J. Abdul Kalam and be executing a PURA (Provision of Urban Amenities in Rural Areas) pilot project at Karaikal. Karaikal Port is set to scale new heights and I am confident of the continued patronage and support of all our customers in this important year that is ahead of us.



FROM THE ED'S DESK

As Year 2010 closed to an end Karaikal Port had much to celebrate. In the calendar year gone by, we received over 110 vessels carrying cargo of over 4 million tonnes. We commissioned a new berth. We handled many cargoes, and acquired many clients. The year ended on a high with the Port setting a national discharge record for coal, further establishing our superiority in coal handling. Urea operations began this quarter and we handled over 2 Lakh MT, over 1.5 Lakh MT of which came in Gearless Panamax vessels. The Port also received an enhanced credit rating based on its performance during H1 FY 2010-11.

This New Year is going to a year of tremendous buzz at Karaikal Port. Phase 2 construction is expected to be completed this year. The Port will make a foray into two very important cargoes, namely Containers and Liquids. Phase 2A projects are progressing as per the timelines and the year end will see a host of new infrastructure at Karaikal Port including new berths and equipments. I once again thank all our customers for their support in the year gone by and foresee tremendous progress for us all in this coming year of growth.

- MLN Acharyulu
ED - Marine Vertical

PROJECT UPDATE



Phase 2 projects are underway at satisfactory pace and the Port expects all the projects to be operational by Q1-2012. Foundation work has been completed for the 4 tanks that are being set up near the warehousing area. Fabrication work has commenced for 2 edible oil tanks which are expected to be ready by May 2011. Fabrication for 2 molasses tanks will commence soon.

Karaikal Port is all set to begin container operations in the next QTR. The Mobile harbor cranes are adept at container operations and other necessary infrastructure is being procured. An area of 32000 sqm has been earmarked near berths 1 & 9 which will be used as a stockyard for containers as well as for project cargo. The sub-grading of this area has already been completed and concreting is in progress.

Extension of berth no. 1 was also completed. The berth, earlier 230m in length has been extended by 30 m towards the south. Thus the total combined length of Berths 1 & 2 is 490m.

Piling work for berth 3 & 4 is nearing completion. Pre-casting of various berth components are under progress. The infrastructure requirements for Phase 2 mechanization are also being readied alongside. Fabrication of ship unloaders & stacker-reclaimers are currently in progress. Erection of the same will commence by March end.

The proposal for a new warehouse has been cleared. This large warehouse will be located adjacent to the coal stacking area behind the existing berths. Civil foundation works for this new warehouse in progress. This new warehouse will be 12000 m² (200m X 60m) in area and is expected to be commissioned by June 2011.



TRAFFIC



Q3 was a period of ups and downs for Karaikal Port. While the months of October and December produced outstanding traffic exceeding set targets, bad weather in the month of November hit fertilizer operations resulting in the diversion of many Urea vessels. The Port, nevertheless, received over 30 vessels this quarter resulting in cargo exchange of over 1.2 million tonnes. The port has handled 4 million tonnes of cargo in this FY.

This quarter also saw the beginning of coastal movement of cargo. It has long been on Karaikal Port's agenda to promote coastal movement through the Port given the numerous logistics and cost advantages coastal movement brings. M.V. Gati Pride arrived at Karaikal Port on November 19th, 2010, to load BHEL Power-plant equipment for ABC International Ltd. The shipment was bound for Haldia from where it would be barged Via Bangladesh through Brahmaputra River to Tripura. 5 more such consignments will follow.

Karaikal Port received its first urea consignment on October 15th. Coromandel International Ltd. brought 46290 MT of Urea in M.V. Hua Jin Feng from Yantai, China. What made this occasion even more special was that this was also the first Fertilizer consignment in a gearless Panamax vessel at the Port. Over the quarter, Karaikal Port received another 5 consignments of Urea totaling 2.25 Lakhs of cargo.

A further boost to the Port's multi-cargo portfolio was the addition of cargoes such as steel pipes and empty fruit bunch while a new record for discharge of coal was established in December. The Port saw new Clients such as Coromandel International, ABC International Ltd, EID Parry & ENI India.



CONNECT - TRICHY

Following the success of the customer meet at Chennai in July, Karaikal Port organized a similar meet at Trichy in November. **CONNECT – Trichy 2010**, was held on November 26th, 2010 at Breeze Residency and was followed by a gala dinner.

A large number of Plants that Karaikal Port caters to are located in the hinterland around Trichy. The problems and challenges faced by these individual plants can only be best understood if we meet with the people that face them first hand. Keeping this in mind Karaikal Port held this event to create a platform where the Port staff could interact with the Plant staff of our various customers. Invitation was extended to all the top officials of the plants in and around Trichy along with the top officials of the Railways and Customs.

Despite heavy rains and in the region, the event turned out to be a grand success with nearly 40 representatives of various companies turning up to discuss their experiences with Karaikal Port. A number of people took the opportunity to thank Karaikal Port for its efforts and also pointed out areas that need attention and improvement. The Additional DRM of Southern Railways, Trichy, Mr. M. Selvaraj, was felicitated by Mr. MLN Acharyulu, ED – Karaikal Port, for his outstanding assistance in obtaining railway connectivity at Karaikal Port.

Overall the event was a much appreciated platform for the representatives of the various plants in the hinterland and an important acquainting and feedback session for Karaikal Port.



MARG DAY CELEBRATIONS



Karaikal Port holding company, MARG Ltd. celebrated its 20th anniversary on December 16th, 2010. A grand function was organised at the new corporate office of the company and attended by employees and their families. The function was presided over by group CMD Mr. GRK Reddy. Karaikal Port ED, Mr. MLN Acharyulu addressed the gathering on this occasion and highlighted Karaikal Port's contribution to MARG Group's growth in the past few years.

CARE UPGRADES KARAIKAL PORT CREDIT FACILITIES

CARE has upgraded the Credit facilities of Karaikal Port from "TRIPLE B MINUS" to "TRIPLE B". The upgrade was based on the performance of the Port during H1 FY 2010-11 and the Phase 2A development which is progressing as per the scheduled timelines.

NATIONAL DISCHARGING RECORD

Karaikal Port set a new milestone in coal discharging in India when achieved Coal discharge of 55,576 MT in "MV Sky Treasure" within 24 hrs of its arrival. This record discharge rate surpassed the previous discharge of 48,069 MT (MV Jin Jun – Steam Coal) achieved during the same month (December 2010) and created a National Record of Peak Discharge for Conventional Ports. With such incredible discharge rates, the Port is consistently saving its customers time and money. So far this FY, Karaikal Port has shared dispatch earnings with its clients for over 85% of the vessels handled.

CORPORATE OFFICE SHIFTS TO NEW LOCATION



The success of Karaikal Port is getting reflected in its human resource strength. Earlier this year, the multi-storey admin building was inaugurated at the Port site. In November, the Port corporate office in Chennai shifted to a new workplace. This move was in keeping with the vision of housing the entire MARG Group under a single roof. Futura Tech Park on Old Mahabalipuram Road is a state-of-the-art corporate centre where floors 3, 4 & 5 have been occupied by the various companies of the MARG Group. Karaikal Port along with the other companies of MARG Marine Vertical is seated on the 4th floor.

CSR UPDATES

PURA PILOT PROJECT FOR KARAİKAL

MARG Ltd., the holding company of Karaikal Port, will work actively with Ministry of Rural Development (MoRD), Government of India for implementing 2 PURA Pilot projects, designed under Public Private Partnership (PPP) framework, with active support of the Tamil Nadu & Puducherry Governments.

PURA (an acronym for Provision of Urban Amenities in Rural Areas) was envisaged by former President Dr. A.P.J. Abdul Kalam as a sustainable and viable model for the delivery of basic urban services and facilities in rural areas to be managed through an implementation framework forged between

local people, public authorities and the private sector.

MARG would be working towards the development of Lathur block, Kancheepuram District, Tamil Nadu and Karaikal district, Puducherry UT. 7 villages would be covered in Karaikal region benefitting close to a Lakh of population.



TAILORING CENTRE

Karaikal Port has set up tailoring centers at 3 villages around Karaikal that have been adopted by the Port. Each centre has a trainer who teaches the women of the villages basic tailoring skills. On completion of the course the women are given sewing machines to help establish independent businesses.



SKILL DEVELOPMENT CENTRE INAUGURATION

Karaikal Port, in coordination with the Govt. of Puducherry, has set up a JCB operation skill development center in T. R. Pattinam. The institute was inaugurated in October and Karaikal Port has sponsored 20 students at this centre. The students will develop skills in operations of various equipments and on completion will be competent at heavy machinery operations.

EVENING TUITION CENTRE

Karaikal Port has established evening tuition centers at each of the 3 adopted villages. Certified teachers conduct classes for school children of all ages in the evenings. Buildings have been rented in each of the 3 villages to accommodate the students and the classes are turning out to be quite successful judging by the attendance.

CUSTOMER SPEAK

"When the initial survey for the Karaikal Port was conducted, as a logistics man, I thought that it would provide good support to the industry and be a real boon to all the customers in and around this region. We import around 500,000 tonnes of coal per annum and from Chennai Port we had shifted to Tuticorin for our imports. We had requested Karaikal Port for the early commencement of rail movement from the port as we were not able to move huge quantities of coal by road. Rail connectivity got done in record time with the support of the railways and in the last 3-4 months, we have shipped around 200,000 tonnes of coal through Karaikal Port. I am a very satisfied customer of Karaikal Port. In future we plan to ship 100% of our imports through Karaikal. In addition to coal we are also planning to import waste paper through Karaikal Port."

— Kalayana Sundaram, TNPL



"We are one of the farthest placed clients for Karaikal Port. We have been importing coal for more than 2 decades, either through Chennai or Tuticorin. When Karaikal Port came up Mr. Suresh met us and was convincing us to get one trial shipment. We brought in the first ship last month and it was excellently handled. At the time the ship came, the stock at the factory was low. We don't have a railway siding we are totally dependent on road movement. By the time ship arrived we were very critically placed. The Logistic team from Karaikal Port met us and immediately bulk quantity was moved to the factory and we made it. I am sure we will continue to work there and they will continue to support us."

— A. K. Radhakrishnan, SPBL