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Krishnapatnam deep-water port announces financial closure for phase II

Our Bureau

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Krishnapatnam deep-water port in Nellore district has announced completion of financial closure for the Rs 4,000-crore second phase. Of this, a consortium of 16 banks, with State Bank of India as lead bank, contributed Rs 3,500 crore.

Addressing a press conference here on Wednesday, Mr C.V. Rao, Chairman and Managing Director of the Navayuga group, said the phase-II would be commissioned by January 2012.

While the promoters invested Rs 1,400 crore in the company, 3i invested Rs 800 crore to pick an undisclosed equity stake.

The company had won the mandate to build, operate, share and transfer (BOST) the port for a concessional period of 30 years.

Stating that there would be no further dilution of equity, Mr Rao said the funds raised and invested would do for taking up the phase-III as well. "All the further expansion could be taken care by internal accruals," he said.

Revenue growth

The port, which started off with a capacity of 25 million tonnes a year from five berths, registered revenues of Rs 350 crore in the first year of operations. "We are looking at Rs 600 crore in the next financial year. We hope to reach a turnover of Rs 2,500 crore by 2013," he said.

Mr Rao said the port would have a captive coal import potential of 37 mt by 2013, with several power plants with a total capacity of 10,000 MW coming up around the port area. This included a 1,300 MW plant by the group itself.

Mr Rao said the port would have a capacity of 50 mt by 2012 and 100 mt by 2025 when all the phases were completed. He said that the port company would break even after four years.

Slowdown impact

Asked whether the slowdown would have any impact on the capacity targets, he said this, in fact, would make the port an attractive proposition for exporters and importers as it offered lesser turnaround time for loading and unloading