



M/s Navkar Corporation Ltd
Container Freight Stations & Rail Terminals



PhillipCapital

“Navkar Corporation Limited Q3 FY20 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day. And welcome to the Q3 FY20 Earnings Conference Call of Navkar Corporation Limited, hosted by PhillipCapital India Private Limited. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vikram Suryavanshi from PhillipCapital India Private Limited. Thank you and over to you, sir.

Vikram Suryavanshi: Good afternoon, and very warm welcome to everyone. Thank you for being on the call of Navkar Corporation Limited. From management we are happy to have with us here Mr. Anish Maheshwari – Chief Financial Officer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinion and expectations of the company on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. Now, I hand over the call to Mr. Anish Maheshwari, Chief Financial Officer of Navkar Corporation. Over to you, sir.

Anish Maheshwari: Good afternoon and warm welcome to everyone present on the call. We are on call, from my team Mr. Shailesh Jha and Kunal is with me. As we all are aware, from last few months very conductive economy as a whole, and it has affected to trade volumes as well. As we see, there is no such growth on the crude side also.

For Navkar, I just want to tell, the EXIM volumes have been subdued, while the domestic volumes have been doing good. In spite of these conditions, we have been able to give momentum of past three quarters, so the growth in the volumes as well as the financial numbers. I just want to appreciate on the call our entire marketing team and senior management, they are putting their efforts towards the growth side of the company.

I just wanted to start with the financial update of Quarter 3 FY20:

Revenue for quarter three FY20 is Rs. 144.3 crores, which is an improvement of 10.5% on a substantial basis of 16.9% on a Y-o-Y basis. The improvement has been mainly led by the volumes which has increased by 5.6% as compared to Q2 FY20 and 7.1% as compared to Q3 FY19. And the average realizations was increased by 7% on the year-on-year and Q-on-Q basis.

The operating profits for the Q3 FY20 had increased by 11% or Q-o-Q basis to Rs. 74.7 crores compared to Rs. 67.55 crores in Q2 FY20. The EBITDA for Q3 FY20 has increased slightly by 1% on the Q-o-Q basis, Rs. 46.63 crores compared to Rs. 40.90 crores in Q2 FY20. The net profit for Q3 FY20 is Rs. 15.10 crores, which increased by 46% on last quarter basis.

Now, I just wanted to give the operational updates:

We have seen improvement in the volumes for this quarter with total EXIM volumes being 91,789 TEUs in Q3 FY20, an increase 3.4% on Q-o-Q basis and 6.1% on Y-o-Y basis. Volumes at Mumbai CFS increased slightly by 1.16 to 57,844 TEUs in Q3 FY20 from 57,178 TEUs in



Q2 FY20, of which 29,251 TEUs were imports, 28,593 TEUs were exports. On a Y-o-Y basis, the volumes at Mumbai CFS declined by 8.7% as compared to Q3 FY19.

The volumes at Vapi ICD in Q3 FY20 were 33,945 TEUs as compared to 31,579 TEUs, a 7.4% increase on a Q-o-Q basis. However, on a Y-o-Y basis, growth has been 46.9%, the Vapi volumes were mainly driven by the imports volume which were 22,949 TEUs, exports were 10,996 TEUs for Q3 FY20.

On the PFT side, the total trains handled for the quarter was 736 trains, which grew by 66.5% as compared to Q2 FY20. The main even behind this is increase in the domestic movement at our ICD as well as our Mumbai CFS.

Now, I will open floor for the Q&A session.

Moderator: Thank you very much. We will begin the question and answer session. The first question is from the line of Nitin Ranjeet from Cap Stocks. Please go ahead.

Nitin Ranjeet: I want to congratulate you on a great quarter. And my first question is regarding, you know, we were actually planning to buy a few rakes, so have you ever actually done any internal calculations as to what sort of cost efficiencies that would actually bring about?

Anish Maheshwari: So, in our presentation also we just add, we have already added two railway racks we had purchased and that delivery will be coming in next 10 to 15 days. Right now as we are not doing such operations with our new rakes, once we will start operations then we will get the actual numbers with the calculative benefits, which we are getting now. Now, we are operating almost eight trains in a month for ICD and Bombay operations, which is all leased. So, then once the trains will come then after we will definitely give you the sense on it after next quarter.

Nitin Ranjeet: Okay. And these trains would cost something like Rs. 54 crores, if I am not mistaken?

Anish Maheshwari: Its altogether trains costing me around Rs. 27.5 crores, approximately, and Rs. 10 crores which we had already been paid for the CTO license.

Nitin Ranjeet: And one more thing, my last question is with respect to our storage revenue at Vapi. Do you have comparable numbers for this quarter and the last quarter?

Anish Maheshwari: I will just give a brief about it. Because we are not separating any kind of storage value proposition, because we are giving the entire package to the party, this is slightly difficult for me to give you the sense on it, what is the comparable numbers for quarter-on-quarter. Because we are till now with the onward delivery also towards the party we are giving the entire package to be party itself.

Nitin Ranjeet: Okay. And I may squeeze in one more questions. Sir, this growth which we have seen over the last one quarter, is this sustainable or what is the outlook looking like? It's been almost one and a half months for this current quarter itself, so what's outlook looking like right now?



- Anish Maheshwari:** Frankly speaking to you, as I told you on the call when I started the call, this is entire volumes which we had captive just because the efforts of marketing team. Looking forward, the market situations are not such a good or not even we are seeing such growth on the port side. But I can say we are doing good, that may continue. This is hard to say today it will be sustainable or not, but practically as we are putting efforts on that, that maybe continue.
- Nitin Ranjeet:** Okay. And with due respect, if I may squeeze in one more question with respect to our capital work in progress, so we have been capitalizing it for the last one year. So, is this going to continue for this current financial year or are we going to like commission it this year itself, the capital, I believe, it's something like Rs. 500 crores. So, Rs. 150 crores kind of cycle?
- Anish Maheshwari:** Yes, it will be after this quarter itself, because this quarter will be last quarter of this year and everything may be in a comfortable position, then we will definitely WIP will be converted into capital as such.
- Moderator:** Thank you. The next question is from the line of Vivek Kumar from Shiv Sagar Investments. Please go ahead.
- Vivek Kumar:** Congrats on your good set of numbers. I just want to know what is your realization at Vapi and Mumbai? And why is the ICD figures around 20,000 realization against CFS of 10,000 around, why is the difference?
- Anish Maheshwari:** CFS is 27 kilometers ahead from port, and Vapi is 175 kilometers, and both the operations are towards JNPT port majorly. So that's the reason there's a difference between the port to CFS and ICD, that is mechanism of the difference between the pricing.
- Vivek Kumar:** So 10,000 difference is cost of freight?
- Anish Maheshwari:** Yes, it is 175 kilometers away from the port, ICD is only 25 kilometers.
- Vivek Kumar:** So that realization includes the freight also?
- Anish Maheshwari:** Yes, your own transportation also is there, because we are doing the entire transportation, road as well as rail. The entire transportation for 175, 200 kilometers is added in that.
- Vivek Kumar:** And what is the realization in Vapi in Mumbai?
- Anish Maheshwari:** So, Mumbai in this quarter we have Rs. 9,112 and Vapi we have around Rs. 20,827.
- Vivek Kumar:** So, if I exclude the transportation in Vapi, then it will be around Rs. 9,000?
- Anish Maheshwari:** Practically not like that, because it's the entire package system. So, we are not only doing the transportation for any kind of activity.
- Vivek Kumar:** So the EBITDA for Vapi on Rs. 20,000 is higher margin on this what transportation will be very less margin we will have, just like 2%, 3% margin.



- Anish Maheshwari:** Vivek, we have not calculated separately any kind of EBITDA for Vapi as well as Mumbai, because my fleet and entire operational things are equally used for both the facilities. So, this is difficult for me.
- Vivek Kumar:** Okay. So what is the expectation in Vapi, EBITDA you will maintain?
- Anish Maheshwari:** So, now if you see my average EBITDA for this quarter is around 33%, 34% which will be similar for both units.
- Vivek Kumar:** Okay. That includes the total revenue model?
- Anish Maheshwari:** Yes, because somewhere we are giving some different facilities to Vapi like we are giving onwards also at Mumbai which we are not doing. So it's difficult to me for segregating both the things on EBITDA level.
- Vivek Kumar:** So, we are doing like 120,000 Vapi, so can we expect touching 3 lakhs, 4 lakhs next four, five years?
- Anish Maheshwari:** If you will see quarter-on-quarter, last year same quarter was 29,000 TEUs, which is 34,000 TEUs almost. So it was around 28,500 TEUs for last year's same quarter at Vapi. So this year if you see, this is around 33,945 TEUs. So year-on-year there is a growth.
- Vivek Kumar:** How much we can scale up, scalability is possible till 3 lakhs?
- Anish Maheshwari:** A soft target for each month was 10,000 TEUs which has already been crossed. So now our next target is 15,000 TEUs. So we are trying for that only. And it...
- Vivek Kumar:** Is it four year, five year, six years horizon, is it possible?
- Anish Maheshwari:** Four year, five years is really a long time. I can say that. We are hoping that as our members are improving quarter-on-quarter over there at Vapi, it will definitely depend on the market situations and our efforts are always 100% for the same. We can hope that it will be in the range of 15,000 TEUs in next couple of quarter, couple of months.
- Vivek Kumar:** Will it convert from road to Vapi, most of the container which move through road will come to Vapi?
- Anish Maheshwari:** No, no. Yeah, so today also if you will see, in this quarter itself my train volumes are getting very high because of Vapi volumes are 95% catered by train only.
- Vivek Kumar:** And sir, second question was, we are having decrease in TEU in Mumbai, but PFT in Mumbai is increasing, the trains. That means I think the clients are not using the CFS, but they are using PFT, right?
- Anish Maheshwari:** Yes.



- Vivek Kumar:** So we are not getting the revenue from TEU in Mumbai, but increasing revenue PFT. So, do we have containers, like third party containers where they don't use a CFS of ours but they use the PFT? And what is the model there and what is the revenue there? Why is there a difference between decrease in TEU and decrease in TFT?
- Anish Maheshwari:** So, I will just give you the example. So for third party we are giving our services towards PFT only. In that what they are doing, they are completing their cargo over there in my domestic yard and from there they are using my PFT for that, we are charging them the whole package system which is an again towards EXIM as well as domestic. So in that we are particularly focused on the operations from railway PFT for their domestic operations also.
- Vivek Kumar:** So here we charge how much per container? Is it container wise or...?
- Anish Maheshwari:** No, it is on tonnage basis.
- Moderator:** Thank you. The next question is from the line of Aditya Tambre, an individual investor. Please go ahead.
- Aditya Tambre:** Congratulations on a good set of numbers. So my only and only question is, what according to you could be the future of CFS going ahead, when the government is continuously pushing for DPD and DPE? Looking at the volume at Mumbai, its continuously, I mean, it's still falling compared to last quarter or the years before that. So this is one thing I want to know about.
- Anish Maheshwari:** Sir, if you see, last quarter there is an improvement in the number of TEUs, correct. Last quarter, the reported number was 57,170 TEU, it's pure, pure EXIM I am talking about, which in this quarter is 57,854 TEUs. But I can tell you about the DPD, DPD on peak was around 68% to 70%, which is now settled down at 52.50%. So, it's on a saturation basis now. Okay? So, further depth we are not putting on EXIM level. But we are working on the other revenues of domestic and all other operations. Likewise, on last question I was already telling that we are more using our PFT and we have all in facilities with us, infra with us. So frankly speaking to you, rather than we are focused on that EXIM, volumes are getting down, ports are not doing good, the global environment is not positive, despite of that we will have to work on positive side, whatever we will gain, I can say, only 1% will make a difference for me.
- Aditya Tambre:** Alright. Can you just give me a rough figure as to how much revenue you are generating from the PFT in Mumbai, by any chance?
- Anish Maheshwari:** So on domestic volumes I can tell you, Mumbai we are having a value proposition of Rs. 12.32 crores, at the same time at Vapi we have a Rs. 6.82 crores. So altogether from my top-line, this quarter is our Rs. 144 crores. Out of that the domestic on the PFT side is Rs. 19.14 crores.
- Moderator:** Thank you. The next question is from the line of Dipen Mehta from Elixer Equities. Please go ahead.



- Dipen Mehta:** Congratulations on good set of numbers. So, my question is that, of the Rs. 144 crores, Rs. 19 crores is from private freight trains, right?
- Anish Maheshwari:** Yes. It is not only private freight trains, this is the entire movement for the domestic, railway movement as well as warehousing.
- Dipen Mehta:** Okay. And ICD is the balance, right?
- Anish Maheshwari:** Yeah. Rs. 12.32 crores is from the Mumbai operations via domestic as well as rail movement. And in Vapi we have Rs. 6.82 crores.
- Dipen Mehta:** And the balance is ICD?
- Anish Maheshwari:** Yeah, 144 balance is not ICD only, there is Mumbai volumes also. Out of Rs. 144 crores, total value from Vapi is Rs. 78 crores, either wise, Mumbai is Rs. 66.25 crores. This is all entire revenue.
- Dipen Mehta:** So, how would you classify your revenues? Are you classifying it by location? Are you classifying it by ICD versus PFT? So, there has to be some standard basis of classification of revenue.
- Anish Maheshwari:** Yes, so we have a standard basis, we have three different kind of models over there with me. Its EXIM, in EXIM we have export, import and domestic, three different kind of nature of revenue. In that, we are giving the separate numbers on LR presentation for the domestic as well as export as import. So, these are the three classifications, revenue we are getting proper in PFT in Bombay as well as Vapi unit separately.
- Dipen Mehta:** Because my next question 129% higher number of trains from PFT, and you have 18% higher number of TEUs which you were handling. Then why the turnover is up only 16%, I thought they are doing much, much higher.
- Anish Maheshwari:** No, sir. So today if you see, it not depends on the volume, it will depend on the EXIM mix also. Because it's a blended number of per TEU realizations, correct. So in that if you see my exports towards both entities is going high comparative to last quarter. So in exports there is less tariff comparative to imports.
- Dipen Mehta:** Yeah, but the number of freight trains are increasing, so that should also contribute. So is it that we are still facing lot of pricing pressure because of which the volumes are higher, but the value is on the lower side?
- Anish Maheshwari:** No, I think there is a mismatch in your calculation, because in accordance to volume, if you see my last quarter's per TEU realization of Mumbai was Rs. 9,132, at Vapi it was Rs. 20,285, which in this quarter, if we will compare with last quarter is Rs. 9,112, it's almost similar for Mumbai, and Rs. 20,827 for Vapi.



- Dipen Mehta:** So all these figures are not there in the presentation, sir?
- Anish Maheshwari:** Yes, so we are giving the entire columns of EXIM as well as domestic export as well as import numbers of per TEU realization. If you see the our end on realization, if you see my first page of revenue, and the second page at Mumbai, there is clearly mentioned the value of total export and total imports, previous data also available on the presentation.
- Dipen Mehta:** TEU data, the value is not there. I can see the TEU data, 26 verses 29.
- Anish Maheshwari:** What I will do...
- Dipen Mehta:** Sir, I will appreciate if there is some more detail about the breakup of the revenue and other things, so that we know exactly what is happening. Because on the face of it, it appears that there's severe pricing pressure in your business. You have 129% increase, and 18% volume increase and 16% increase in revenue, so there is obviously pricing pressure which you are saying is not there.
- Anish Maheshwari:** So, what I just wanted to tell you, I will one more slide in the presentation with revenue numbers separately from Vapi as well as Mumbai.
- Dipen Mehta:** Any which ways, so as analysts we would like to know volume growth is there, and then what is the realization, how volume is moving and how realization is moving, it will enable us to build out our revenue models. Otherwise, we are just shooting in the dark.
- Anish Maheshwari:** So what I just wanted to tell you, I will definitely correct that presentation also. I will add one more slide in the presentation that will give you the fair sense, then after also you have a query, you can directly connect with me.
- Dipen Mehta:** Okay. So second question is that what is the management proposing to do about the steep fall in share price, I think it is going at 0.22x book value. So is there any proposal to do a buyback instead of buying trains which gives you 9%, 10% type of IRR, why not do a share buyback and get it...
- Anish Maheshwari:** First off, I just wanted to interrupt here. One thing which is in our hand is business operations, on that, management is really concerned, they are doing the best, you will see the numbers compared to last quarter last year also. So whatever best we can do, we are doing. And secondly, rail which you are saying, rail is the need of business that's why we are doing that because we have eight trains today on lease. Tomorrow if somebody comes to me and tells me we are not going to give you more trains for the operations, like less two trains or I can tell you that two trains which we have added now that will be improve my efficiency only. And that is business need. So we will have to be focused on that first. And on shares, I can tell you, we are definitely concerned about it. But whatever best we can do on the business side that we are doing.
- Dipen Mehta:** No, but you can definitely consider doing a buyback, the company's financial position is very strong, debt is also on the lower side, positive cash flow. So, a lot of companies where the stock



prices has got beaten down, there's been one option to take a buyback, that will the promoters as well as minority shareholders.

Anish Maheshwari: Yeah, I will definitely discuss with management also.

Moderator: Thank you. Next question is from the line of Pratik Kumar from Antique Stockbroking. Please go ahead.

Pratik Kumar: First question is on volumes, at Mumbai location can you repeat export import volumes? And also, you haven't given in presentation domestic volumes at the two locations.

Anish Maheshwari: But basically domestic volumes we are not giving, we will give you value basis. Because in domestic, more we are doing a on tonnage basis. So last time also when we were calculating those numbers, we were just dividing that number between our per TEU realization. So I will air the slide in that. Now you can take the numbers from me for the Vapi total TEUs which we handled at Vapi, 33,945 TEUs. Out of that export is 10,996 TEUs and import is 22,949 TEUs. At Mumbai, we did 57,844 TEUs, out of which import is 29,251 TEUs and export is 28,593 TEUs.

Pratik Kumar: Okay, so moving forward we will not get any data on domestic volumes?

Anish Maheshwari: Pratik, I just wanted to tell you one more thing. Rails which we handled in Mumbai, 276, and Vapi is 439, first. Secondly, because we are doing a domestic operations in a tonnage and a space basis, so, TEUs we were converting in Mumbai earlier on the basis of per TEU realization, divided by the value.

Pratik Kumar: Okay. When you say Rs. 68 crores revenue at Vapi, Rs. 68.2 crores, what was the like-for-like number in Q2 FY20?

Anish Maheshwari: Vapi?

Pratik Kumar: At Vapi.

Anish Maheshwari: In Vapi, this quarter is Rs. 28 crores which was last quarter Vapi was Rs. 65.63 crores. And Mumbai is...

Pratik Kumar: Third quarter is how much?

Anish Maheshwari: Rs. 78 crores. And Mumbai it was Rs. 64.90 crores, which in this quarter is Rs. 66.25 crores.

Pratik Kumar: And out of that Rs. 66.25 crores, Rs. 12 crores is domestic?

Anish Maheshwari: Yes.

Pratik Kumar: Okay. And sir, how much is the CAPEX which we have spent till now, what is the expectation for the full year?



- Anish Maheshwari:** Full year, last quarter also we were giving the entire year may be having a CAPEX, including the railway extension as well as the railway PFT with the city also. So, it will be in a range of almost Rs. 100 crores this year, all put together, CTO, railway and all.
- Pratik Kumar:** So, last year, we said Rs. 80 crores, prior to that we were looking at Rs. 50 crores. So, we have doubled the CAPEX?
- Anish Maheshwari:** So, Pratik, I can tell you, as I was getting the answer on last question also, the railway is my need now. If you see my railway volumes, it was not even we expect at the time and we did the evolution of our CAPEX side, it was in the range of 400 trains we will in a best case scenario we will do. But this quarter itself we 736 trains all put together for the Vapi as well as Mumbai operations. So, this is basically need for me in this market where the volumes are not such high on EXIM side as well as port side, and we are giving our best. So, whenever we require further side betterment or TEU data or TEU volume side, we will have to make that kind of arrangement.
- Pratik Kumar:** So, which all segments like Rs. 100 crores would be spent at, like rail and other CAPEX?
- Anish Maheshwari:** This year definitely it will, by next year onwards that number maybe, I will give in next quarter.
- Pratik Kumar:** No, so for FY20 only what would be the split of Rs. 100 crores CAPEX?
- Anish Maheshwari:** It will be 100% towards railway. And as we did around 100-odd in this year itself, whereas two trains we had taken. And as the last quarter call also we have given the sense about the TXR activity for the railways. So this is all towards major toward ICD side.
- Pratik Kumar:** So we are looking at some six, seven trains purchase in current year?
- Anish Maheshwari:** It depends, if the volumes will be more high from here, then we will have to think about it.
- Pratik Kumar:** Okay. So Rs. 30 crores was that TXR expenditure. And the Rs. 70 crores?
- Anish Maheshwari:** Yes. Rs. 30 crores for the TXR, Rs. 30 crores for the train almost with DSC, and Rs. 10 crores we have already given for the CTO license.
- Pratik Kumar:** So that adds up to Rs. 70 crores, so remaining Rs. 30 crores will also add up like another two to three trains?
- Anish Maheshwari:** No, Rs. 100 crores which I am talking about almost in the range of Rs. 100 crores which I am talking about, it's the recurring expense for the regular maintenance of the yard for sale. And secondly, improvement of efficiency. So, that will include altogether retain the range of Rs. 90 crores to Rs. 100 crores. So, now, as I told you on the last quarter call or before last quarter call that that CAPEX which we are doing now, it's more about the facility which we are using on a basis of hire and hire. Like last time if we have a capability of using 50%, that will have to be increased by 60%, 70%, 80%. To reaching that path we will have to meet the infra quality also.
- Pratik Kumar:** Right. And what is the debt position now, which was like Rs. 500 crores by 1H?



- Anish Maheshwari:** Today on quarter end 31st, I will just give you the entire number. All together its Rs. 421 crores, including Rs. 50 crores of WCDL within the range of Rs. 370 crores, and plus Rs. 100 crores of unsecured loan.
- Pratik Kumar:** So it was Rs. 520 crores?
- Anish Maheshwari:** It is Rs. 480 crores.
- Pratik Kumar:** And this includes current maturity or long term debt?
- Anish Maheshwari:** Yeah.
- Pratik Kumar:** Okay. So that hasn't increased on quarter-on-quarter basis?
- Anish Maheshwari:** Everything included, which we have added trains also, that Rs. 2,700 crores also added in it.
- Pratik Kumar:** Okay. And just one questions on your working capital position, for industry as a whole, is it improving or is it still very stretch in terms of receivables?
- Anish Maheshwari:** There is no such improvement, but as our volumes are getting up so we are also on the same words we are pressuring our debtors also. So working capital, the situation remains the same as last quarter.
- Moderator:** Thank you. The next question is from the line of Sachin Kasera and Swan Investment Managers. Please go ahead.
- Sachin Kasera:** Congrats for a good set of numbers in challenging times. Sir, just on the debt, so overall how much are we looking to reduce the net debt in the current financial year FY20 vis-à-vis FY19?
- Anish Maheshwari:** Sir, my per quarter obligation towards repayment of principal is almost in the range of Rs. 8.5 crores. So, by this quarter, I think Rs. 27 crores, Rs. 28 crores would be reduced.
- Sachin Kasera:** But have you taken any fresh debt for the CAPEX for increasing working capital? So what we are looking for is net debt including fresh loans as well as increasing working capital.
- Anish Maheshwari:** Yes, that's why I am telling that number it will be the range of Rs. 480 crores today.
- Sachin Kasera:** Rs. 480 crores is including the promoter debt?
- Anish Maheshwari:** Yes, Rs. 480 crores has included the promoter debt also.
- Sachin Kasera:** Secondly, what is the progress in this promoter debt, there was certain proposal that we were looking in terms of conversion, so any update on that? And as well as on the promoter pledge?
- Anish Maheshwari:** Promoter pledge is not there, it is promoter group pledge towards SBI which remains same, which was the state of last quarter also.



- Sachin Kasera:** And sir, any thought process from the promoter to increase the market, as one of the participant said that, stock is very, very cheap. So, are we looking at any acquisition from the market?
- Anish Maheshwari:** Sachin, I can tell you on that, there's no such plan in the mind and the management also. Now we are more focused on the business. As numbers are improving, business is intact from the various parties, we have always tried to add some new more parties, so more focus on the business side only.
- Sachin Kasera:** Sure. And on this Vapi, what is your sense, currently the way the marketing is going aggressive, what do you think in four to five quarters can be the run rate from where we are today far as Vapi is concerned on a monthly basis?
- Anish Maheshwari:** Sachin, today, I am not to the position to tell about this. We are exploring some different thoughts, that will be definitely be giving a positive numbers towards the next two, three quarters.
- Sachin Kasera:** Sure. One final question regarding CAPEX, so this year you said that against your original CAPEX of (Inaudible) 33:54.4 because of certain requirements on the train and the facility side. Will this number come up substantially then in FY21 or we need to keep investing as we ramp up?
- Anish Maheshwari:** Practically, I can tell you it all depends on the business. If there is no further requirements for the making business sounds, then we are definitely not doing any kind of a further CAPEX in early years. It all depends on the business opportunities. If there is such opportunities which we can add to the business, then we will have to be thinking about those CAPEX. But today if you ask me, the CAPEX which we had done in this year, it is sufficient to survive the same set of numbers. And if further, there may be... I can tell you frankly, if the jump is almost 100%, then I will have to be thinking about fresh CAPEX. And from marginally improvement, like from here it will be the range of 20%, 25%, 10% business growth, then we are sufficiently address with the current CAPEX.
- Sachin Kasera:** So, if and when we see the sharp growth, which area will we include, will we need to buy more train, what are the areas will be effect?
- Anish Maheshwari:** It will be more on the first thing, will have to be at train, our movement towards, onwards, then we will have to be add more trucks, or there are certain requirements of the repair or the maintenance of the entire facility, both the facilities, Bombay and Vapi. Today what happens, in Mumbai we have a further capacity added to us, so there is no requirement of repair and maintenance early years/ But at Vapi, as we are doing business smoothly, if there is a requirement, like certain things which is not in our control, like in June quarter there may be heavy rain, then they may be certain CAPEX towards the repair maintenance of the yard. Otherwise, there is no such CAPEX on the same set of numbers of business.



- Sachin Kasera:** Sir, last time you had mentioned that if there are some attractive opportunities you may look, especially **0:35:59.7** which are very, very cheap, so any thought, any progress, anything that has come up?
- Anish Maheshwari:** Right now we there is no such thought, right now we are more focusing on the facilities which we have aggressively utilize that.
- Sachin Kasera:** And on the Mumbai, the surplus facility, we are still looking at discussion for disclosing some of them? Or as of now because the market is weak we have put that on hold?
- Anish Maheshwari:** Pardon.
- Sachin Kasera:** We have some surplus land in Mumbai, and we are contemplating if we could dispose them. Considering a weak market we have put that proposal on hold or are we still actively looking in the market to dispose that surplus land?
- Anish Maheshwari:** Frankly speaking to you, the discussion will always be on. There are certain queries for selling those assets, there are certain queries towards the JV, there are certain queries for further. But still there is no conclusion. The discussions always be on, somebody is coming with some different kind of thoughts will have to be discussed with him. Because the land is idle with us.
- Moderator:** Thank you. The next question is from the line of Jayakanth Kasturi from Way2Wealth Securities. Please go ahead.
- Jayakanth Kasturi:** Sir, I just wanted to get a sense of, like in this 45 days, what are you seeing in terms of your EXIM, considering right now we have the Chinese issue?
- Anish Maheshwari:** So, on the JNPT port side, major volume is coming from the Europe as well as the US. So, there is no such impact which we have seen yet from the situation of China, as per our knowledge. If there is any kind of situations which will be added to us, we will definitely conclude on it. But right now, there is no such impact on the business which we had seen.
- Jayakanth Kasturi:** And in terms of Vapi, for exports, anything?
- Anish Maheshwari:** Not yet. There's a thing such event which we have seen.
- Moderator:** Thank you. The next question is from the line of Vivek Kumar from Shiv Sagar Investments. Please go ahead.
- Vivek Kumar:** How many PFTs are there in JNPT? And how do we calculate the capacity?
- Anish Maheshwari:** JNPT, there is no such conclusion of capacity. That is based on your railway tracks, now which we have three tracks, so there are three shifts. So we can easily handle almost 12 trains in a day. So at the same time, Vapi also we can do around 16 to 20 trains. It all depends on the operations, first thing. So that is primary calculation for the railway PFT. And nother question which you had put?



- Vivek Kumar:** How many PFTs are there in JNPT? Like how many people are having this PFT in JNPT?
- Anish Maheshwari:** PFTs are only two, one is Navkar and second one is having Concore I think so.
- Vivek Kumar:** So only these two people will have, so any personal looking to add PFT there, any ICD?
- Anish Maheshwari:** So, we started PFT in 2011, but after 2011 we haven't seen any kind of development towards PFT till now. Because making PFT, the norms are very different, PFT requires almost 1,500 meters of straight stretch for making railway tracks. So the land you require almost in the range of 50 to 60 acres with the national highway connectivity. So that kind of a land parcel I think is too difficult to find. So, today's rate like that, with the railway tracks and national highway is much, much higher. That maybe the reason nobody's making that kind of a PFT arrangement yet.
- Vivek Kumar:** So, with this direct delivery system coming up, the volume of PFT will increase, is there any demand for PFT?
- Anish Maheshwari:** Practically not, because PFT demand all depends on the demand towards the domestic market. So, we can't directly link with the DPD itself.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Vikram Suryavanshi for closing comments.
- Vikram Suryavanshi:** We thank the management of Navkar Corporation for giving us an opportunity to hold the call. And taking time out for interacting with the stakeholders. Thank you all for being on the call.
- Anish Maheshwari:** Thank you so much.
- Moderator:** Thank you. On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines