

**Navkar Corp-23012018**

- **MODERATOR**

- Ladies and gentlemen good day and welcome to the Navkar Corporation Q3 FY18 Earnings Conference Call hosted by Prabhudas Lilladher 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 touch tone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Sreesankar from Prabhudas Lilladher Private Limited. Thank you and over to you sir.

- **MR. SREESANKAR – PRABHUDAS LILLADHER PVT LTD**

- Thank you Janice. Good morning ladies and gentlemen. Let me welcome you all to the third quarter FY'18 results conference call of Navkar Corporation. We have with us Mr. Anish Maheshwari, CFO of the company to take us through the results. And later we will open this floor for questions and answers. Janice over to you.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Hello?

- **MR. SREESANKAR – PRABHUDAS LILLADHER PVT LTD**

- Yeah Anish please go ahead.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yeah good morning everyone. Thanks first of all Prabhudas Lilladher for giving us an opportunity to take you through with the financial results of Q3. So I just wanted to give a brief highlight to you all. Compared to last quarter our revenue top line is getting a little bit dip. But the major reason behind that is the cargo mix which was earlier dominated by the shipping line which is getting reduced and we are much more in DPT side. So our revenue top line versus last quarter and versus last year is slightly down. But if you see the number on the backside, ebidta side, operating profit side, and overall financial results compared to last year as well as the third quarter of last year and from last quarter which is really delivered by us is fantastic. It is profit after tax which is last year on the same quarter was around 21.17 crores which is now 25.19 crores. After making the provisions of the yard 1 and 2 which is now under the general tax provision. Secondly our operating profit which was earlier last year same quarter was 59.20%. Last quarter was 61.02% which is now around 61.59%. So on the operating level we are in the slight growth side. Looking forward the DPT margins or the domestic level margins are a little bit slightly lower than the cargo mix. But our number has improved and cost wise we are saving on the financial costs which was earlier last quarter was around 5.27 crores which is now this quarter is around 1.09. It is a huge saving in the financial cost.

- Secondly the overall number in the standalone basis will see the number which was last year reported in the same quarter was 23% which is now at 27.83%. So overall performance of company is slightly better and we are growing at good numbers. Secondly if you will see the Navkar terminal standalone, where we made a last quarter which was around 14.89 crores, and this quarter it is around 20 crores, 19.99 crores, which is a unique thing. And we are on the same path which was earlier set by us. And at the same time if you see the operating profit is around 36% and which is similar to last quarter. And the PAT has little bit improved by 8.70 to 10.91%. Ebitda is around 19.3% to 20.08%. A major thing I just wanted to highlight over here from this quarter onwards we will slightly change our strategy to sharing the number on the revenue versus the TEU side. Last quarter we do have the TEU number data which was 83149. The same last year was around 80343 containers. This quarter we do the Exim volume is around 72274 TEUs. The reason behind that, we just segregate the numbers which was the DPD domestic and the Exim mix. So if you will compare with the revenue side, out of 86.96 crores is with the Exim cargo movement of 72274 is 78.96 crores. And rest 7.55 crores for that we have not changed the revenue TEU numbers but total 7.55 crores is done by us by the way of domestic DPD and the railway model. Railway intel and delivery model. And one more thing I just wanted to highlight here, till last quarter we handled around 139 trains in a quarter. In this quarter we improved the railway efficiency we just handled 45 trains out of which 87 trains which we handled for the intel and delivery which is the unique thing from this quarter. So we just segregated the numbers and the reason behind that I just wanted to say because earlier what we did, Exim cargo mix which was the mix of import as well as the export via shipping line. So from the impact DPD domestic is what we want. The number which we have shown till last quarter and the shipping lines were a little bit different. Because they were the containers which we handled in the domestic and DPT which was not usually won by the shipping line. So we just changed slightly the revenue operating model with the realisation of per TEU. So our per TEU realisation out of that revenue stream, 78.96 divided by the 72.27, 74000, around Rs. 11000 which has improved slightly from the last quarter. And this quarter also we are MT movement is very less. Secondly on the Vapi side if we compare, till last quarter we have a number of civil which was handled around 8696 which is now 10517. So there is an improvement of 25%. And realisation is also getting improved. Last quarter we reported number of 17134 which this quarter is around Rs. 19000.
- So overall performance wise if you see the performance is positive and we are on the same side. We are also doing good things at Vapi and our major concentration is on the Vapi side. PSA has already started. So from this quarter onwards Panvel PSA will be getting benefited by the PSA too. Then major thing which I had shared on the last quarterly call which is on the railway side, I just wanted to give you the slight thought on the railway side. Last quarter when we did the call on the same time railway survey was going on. The (15:23 unclear) railway survey was getting done in first week of January. Based on the survey they are giving us the final approval with certain changes. Like there is a railway going to change in the safety stress model where they are changing certain things. So in that connection they are giving us certain things which we will have to change also. Like let me give the example

like just they told us you just make another line which you extend till the (15:54 unclear) and you extend 102-103 meters for the dead end. So that kind of thing which we already did right now. So small-small changes they are giving us and we are doing within 15-20days much more time. So probably we are getting that whole thing done by 15<sup>th</sup> of Feb to 20<sup>th</sup> of Feb. thereafter they will be doing the financials and they will give us the green signal for the operating railway tracks. So that is the thing that I wanted to share on the railway side. All the things till on the numbers side we have the auditing side. Secondly looking forward to DPD, DPD last quarter to this quarter is slightly positive. But at the same time if you see the DPD which is (16:40 unclear) the number of decimal itself, total volume handled on the import side is 1, 44,000 TEUs from the JNPT Port. Out of which total DPD cargo is around 52000 TEUs. And out of which around 31000 is handled by the PFS. So the number which was reported by the DPD around 52000 TEUs are almost 70% cargo handled in PFS till now. So practically DPD is not looking at the (17:06 unclear) but our major concentration right now on the DPD or the domestic side with the railway side. So those things I just wanted to share with you. Rest I just open the floor for questions if you have in your mind.

- **MODERATOR**

- Thank you very much. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question you may please press \* and 1 on your touch tone telephone. If you wish to remove yourself from the question queue you may press \* and 2. Participants are requested to use handsets while asking your questions. A reminder to all the participants in the conference if you wish to ask a question you may press \* and 1. Before we take the first question I would like to remind all the participants if you wish to ask a question you may press \* and 1 at this time.

- The first question is from the line of Nandan Vartak from Wealth Manager India Private Limited. Thank you.

- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**

- Yeah good morning.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Good morning.

- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**

- Yeah I just wanted to know our Somatane Unit's capacity and Vapi Unit's capacity.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Total capacity?

- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**
- Yeah total capacity.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So total capacity is 1 million TEUs out of which around 4.74 is from the Vapi unit.
- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**
- Okay 7....
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- 4.74.
- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**
- 4.74.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- And rest 5.26 is from Mumbai.
- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**
- Okay yeah. And what would be sustainable realisation growth rate for TEU basis...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- If you ask me that will be 5 to 10% in between.
- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**
- Okay 5 to 10%.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yeah it's all based on the inflation first thing. But you will have to mainly focus on the per TEU net realisation on the company side that even though (19:00 unclear) because there are certain things which will impact our per TEU realisation due to certain commodity mix. But it will have to focus on the ebidta as well as on the net profit level. Because sometimes maybe the commodity mix will be getting changed from the government or there may be certain restrictions from the government side. And then realisation maybe slightly down.
- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**
- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- But overall revenue generation if you will see it will be (19:27 unclear).
- **NANDAN VARTAK - WEALTH MANAGER INDIA PRIVATE LIMITED**
- Okay thank you.
- **MODERATOR**
- Thank you. We take the next question from the line of Harsh Shah from Dimensional Securities. Please go ahead.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- Yeah hi good morning Anish how are you?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Good morning, all well.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- So Anish you shared the volume that you handle from the shipping line, 72000 to 74.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yeah.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- So what would be the number for Q2 FY18 and Q3 FY17?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It was altogether 83145. It was last quarter number. And last year same quarter number was 80343. Because there was no such impact on the DPD.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- 80343 was in FY17? Q3 FY17.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Correct. You have to understand Harsha first (20:18 unclear) we've just given a number which was in line of shipping line data as well as the port data, as well as the Navkar internal data. Correct?

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- In that case what earlier all job which was gotten by us from the shipping line. So in that case all data matched with each other.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- After DPD Domestic what was going to happen the shipping line data is what was going to Navkar directly coming from the shipping line. Rest is directly taken delivery from the customer. In that case if I will match that data with the shipping line it will be getting mismatched.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Yeah correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So that is why what we did Exim cargo mix with 70274 containers in line with the shipping line data as well as export data.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Correct. The 7.56 crores which is generated from DPD volumes..

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- DPD and domestic volumes. It is not only the DPD. And DPD is little bit very small number of DPD. Rest is domestic delivery. Like somebody is having cargo which (21:17 unclear). He is taking delivery hinterland via our terminal PFT from our CFS. We are taking care in that giving a top line of 7.56 crores.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Sir these...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Cargo, FCL, LCL, domestic cargo all mixed.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Okay sir these volumes don't generate from the port.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yes. It practically doesn't generate from the port but indirectly generate from the port.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- So these are transmitted within hinterland.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Correct. So right now what is our model? Our model as we are earlier saying our model is not only based on the Exim. Our model is mix of Exim as well as PFT domestic model. So in that case what we are doing right now, we are taking hinterland delivery for domestic and also for Exim purpose also and from here to hinterland. We would like to take the cargo from (22:09 unclear) via DPD and he would like to run the cargo from here to Nagpur to Kanpur wherever, the cargo via rail till the destination.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Okay. Sir what will be the corresponding number for the 7.56 crores?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- That will have to divide by our total revenue number you will get the same number. But reported number may not be that because there are certain things which will be FCL, which will be cargo, loose cargo also. So we are not converting into TEU data.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Correct. And can you share the Vapi volume data?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Vapi we did in the last quarter around 10517 containers.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- 10517.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Vice versa last year's numbers if you see the same order was 2129.



- **HARSH SHAH – DIMENSIONAL SECURITIES**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- And if you compare with the last quarter it was 8696.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- And you shared the volumes handled by JNPT Port. So 144000 if I am not wrong.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yes.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- So these are only import volumes?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- That is only import volumes.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- And what will be the same for export side?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- I don't have it handy with me. It was just from DPD side we just collect data from import. Export yet not I got.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- So out of this 144000, 52000 you said goes through DPD
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yes. It is around 36%.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- And out of that 36000 is handled by CFS.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- 31813 is here handled by the CFS.



- **HARSH SHAH – DIMENSIONAL SECURITIES**
- If we reduce 52000 from 144000 then this 92000 volume how are these volumes handled?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It was by CFS.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- Okay they go directly through CFS?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It is going by CFS, all are the CFS.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- Okay, okay. So how is the outlook – sir what is the outlook for this year end?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Hello?
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- Yeah.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Last November number if you see it was 120412. So it's really improved. If you will compare with the October number it was 138330. So I think so it maybe the impact of PSA new berth.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- PSA new what is the capacity of this PSA two berth?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Capacity is around 4 million TEUs.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- 4 million.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- 2.4 million.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- And the entire capacity is on stream now?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- I have not yet got the right figures with me. But I think so it is getting down.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Okay sir can you share our outlook for the remainder of FY18 and FY19? How do you see the volume growth coming in now for PSA on stream?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Future growth we are restricted by SEBI guidelines. But if you will ask me the JNPT port side I will just give you the fair sense. Right now the container side is also in the penetration of container, they would like to improve in a good size of volume. Like globally it is around 76% containerisation volume. And in India it is around 18-19%. So there is a huge scope.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Okay. And can you share about utilisation of the QIP proceeds?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- 100% utilised.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- For repayment of debt?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yeah, yeah. We rapid the debt of around 139 crores.

- **HARSH SHAH – DIMENSIONAL SECURITIES**

- Okay, okay. And final question any update on the real estate...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- We are still searching from good guides. There are certain enquiries on the ceiling down of that also. But price wise we are slightly you know stuck. So we are not compromising with the price firstly. Secondly we are not even compromising with the joint venture where they would like to come up with their own thoughts.

- The land which we have right now with us, there are certain enquiries from the warehousing tools on that particular land. So we are negotiating in all models. So it may click, next month it may take another 3 to 6 months. We are not in any hurry. We would not like to go aggressively call on that particular land. Land is with us. It is 100% owned by the company.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- Correct.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- First giving to anyone else, so the rise in thoughts which we had in our mind were getting stuck. So we are looking for a good smart deal for that particular land parcel.
- **HARSH SHAH – DIMENSIONAL SECURITIES**
- Okay, okay. That was it from my side. Thank you so much Anish.
- **MODERATOR**
- Thank you. We take the next question from the line of Prathmesh Patkar from PPFAS Mutual funds. Please go ahead.
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- Yes hi Anish. I wanted to know if you had any numbers for the import-export mix for the containers at any of your ports.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- JNPT port if you are asking me...
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- Sorry?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- For JNPT port?
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- For JNPT and Vapi.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- JNPT port if you will ask me import number I have right now handy with me. It's around 144000. Export I have not yet got. So once the export numbers I get I will definitely share with you. Secondly if you ask me about Navkar numbers, so Vapi we did last quarter December 10517 containers.
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- Alright. So have these numbers increased or decreased according to your expectations?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- They have been in line.
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- They have been in line.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It was expected number. If you will compare with the last quarter, last quarter we did 8696 and in the same last quarter when last year was around 2129. So practically if you will compare with last quarter last year to this quarter it is around 400% growth in the TEU data number. As well as the revenue side.
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- 400% right?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- But practically we are not yet satisfied with that number.
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- Ah okay no problem. And I would also like to know if the DPD effect is still visible in your operations and if it will continue in the next quarter.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Practically if you ask me on the DPD side, DPD is not much – till now there is no such impact if you will see my quarter on quarter numbers from last 4 to 5 quarters from the DPD getting started. There is no such impact till now because our model basically is on the railway side. So we have a further opportunity to cater to the market by way of Exim as well as the cargo movement. So there maybe slightly change of strategy. But number wise we are not getting stuck for the next 5 to 10 years at all. There is a growth definitely.

- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- Alright. And my last question was if there is anything which has been misunderstood by the market, that is distorting the company's valuation.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It is about the market, we are onto the business side so if you will ask me in the business side I can give you all the thoughts which right now our promoter is having in their own mind as well as the market perceptions we can't change.
- **PRATHMESH PATKAR – PPFAS MUTUAL FUNDS**
- Alright, no problem. That's all of my questions. Thank you and good luck for your next quarter.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Thanks very much.
- **MODERATOR**
- Thank you. We take the next question from the line of Giriraj Daga from KM Vesaria Family Trust. Please go ahead.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Yeah hello team and hello Anish. Couple of questions from my side. First if you can give the corresponding number for the 7.56 crores, what was the second quarter?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Second quarter was altogether we are giving the same number is around 92 crores.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Would you be able to give the separate numbers?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Here we are not segregating the numbers because we are taking all the cargo under the Exim cargo mix.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Okay, okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Why we are changing the strategy because if you will compare with the shipping line data they are slightly different from our numbers.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- No, no, I agree with you. The only point is that we are not getting the apple to apple comparison numbers as of now. Since you have changed this quarter onwards so we are not getting the apple to apple comparison numbers.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Compare the data if you would like to divide that number to our average relation in getting the data we have in TEUs. So altogether if you will compare....
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- No I am not looking at TEU part. Let's say even 72000 what was the corresponding number second quarter?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So it was not segregated yet.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Okay not an issue. Second if you can give the import-export mix at Panvel and Vapi for this quarter.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It is around 4858. In 72000 TUs we did have an export of 34139 containers.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- 34139.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Import we have 38135.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Sorry?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Import we have 38135.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- 38135. And Vapi?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Vapi our import is around 6125 out of 10550.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Export is 4392.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Almost 4258.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Understood. And how is the run rate picking up? What was the last month number? Was that materially different than the quarter average? Or let's say January number how is the run rate going on?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- If you will take my first quarter number was 5700 correct?
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Correct. I saw the numbers are improving drastically. But recently in December or January...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It's in line with the numbers but not as per our expectations.



- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- We are still have the thought. We will be reaching out somewhere 3000-4000 containers per quarter on the maximum side.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- If railway will come then it might be changing slightly 10-15% extra.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Railway with only 10-15% extra?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- It will be from month on month. If you will see railway will come again in March. So if we will have a thought in our mind that April will be on the double side it may not be possible.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Agree. You gave the revenue of 20 crores for Vapi. And 36% ebidta.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Correct.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- So that is about 7.2 crores number?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Approximately.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Okay. And in terms of capacity at Panvel it already has reached but we are still a bit utilisation level we are still running at a run rate of 80-85 -- 80 kind of run rate.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- You will have to see one major thing. After utilising the RTG machines our operating cost in getting down quarter on quarter.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Correct.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So either we will be going focus on the top line or either we will be going for the cost side. So both the things will be positive for company. If TSA will be doing much better from next 3 to 4 quarters then it will be definitely giving benefit to Navkar too.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So both sides there is no further development.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- I agree. But can we reach a run rate of somewhere around – when do you see, how much time will it take to reach the run rate of let's say 1 lakh TEU on the Panvel side?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It is a futuristic question for me. So we are restricted by SEBI guidelines. But practically if you see numbers are in the range of last 1-3 quarters if you will see, and one more thing you will have to compare with the peers too.
- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**
- Yeah I agree performance is decent. But I just wanted to corner Navkar side. Do you have any plan there that might take 1 year, 2 years still? So that was...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Our major planning from day one if you see, and our vision too in the same direction, we have a thought to getting reduced costs on each and every leg of logistics. First thing. Second thing our major direction whenever we will talk to you you will see that we are always talking to you on the Exim as well as domestic cargo movement. So domestic market is really a huge market till now. But (33:21 unclear) because they don't have terminals in Mumbai. So major problem with all the hinterland ICD or CFS, they have the

major problem in the written cargo thing. Because the major quantum of cargo which is weighing from the Mumbai port, is going to the hinterlands record India. So they have a delivery to hinterland with the consume the product over there. But they don't have a written delivery from there.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- It is a major thing. And our focus because we are into the mid of India, so from here if you would like to cater, all kind of market towards South, North, West, wherever, so we have an opportunity to run our trees or we have an opportunity to use our railway efficiency in all manners for domestic as well as DPD cargo.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Understood.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Our major focus right now is what you know, tomorrow if the PSA will be coming up with new capacity and they will be running their capacity till 50%, I will surely tell you that the major benefit of that new capacity you will be getting by 3-4 CFS they are having their own capacity across India. Navkar maybe one of them.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Okay understood, understood. Last question in terms of company's growth plan, now Vapi's commissioned although the railway line is pending. What next after Vapi since you are funded also in terms of QIP?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Our major focus right now is to fill up the capacity related to Vapi as well as Mumbai. Because there is huge scope right now with Mumbai as well as Vapi. After GST I just wanted to share one more thing, after GST there is a movement going on in the (34:52 unclear) side and the movement towards the hinterland deliveries. Because right now our logistic cost is around 15%. 14-15% till the last mile delivery.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Globally if you will compare it is around 4.5%. So we have a huge pact to do in the logistic side by the way of railway. So we are hoping that DSCC may be coming in the next 3-4 years. DPT port is also developing. Then Nargol Port they would like to develop. Vadhavan may be coming in the next 5 years. So there is activity going on in this industry.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Understood.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- We have a first mover advantage because as we say at all times Navkar is having a major benefit right now of the railway which will be clicked down between one or two years altogether.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Understood, understood.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So right now we are using our capacity around 20-25% via rail. It may improve after Vapi too because right now Vapi railway is not commissioning. Once the Vapi railway is commissioned it may be 50/50 ratio of road as well as rail.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Even getting the cargo in the riverside too. I will just give you one more positive thing. You cannot imagine right now we are also taking delivery for Ahmedabad. Whoever was using their Mundra Port earlier are taking their delivery -- for marble cargo, they are taking delivery at Hazira Port. We are catering via Hazira Port to their internal destinations. Because our cost is much more cheaper than them.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Understood.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Just from Hazira to Ahmedabad, truck movement, truck transport – if I outsource also so it will be very less compared to Mundra transportation. Parties come to us and ask us if you

can start delivery from your ICDs to our premises if we will take delivery from these two. Tomorrow if we commission the railway and we start delivery for – our major area was only South Gujarat. But we are raising over there – I just wanted to add over there with you.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Understood, understood.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So the market is there. People are having their own resources and they are coming to us. They have their own resources. Right now because there is an awareness on the logistics side across India. Rates are coming down, they are coming up with a new port strategy, they are coming up with the jetties model. So there is a movement across industry. Once all these things will be commissioned in 3, 4, 5 years, so whoever is having a railway model, whoever is having their ownership model, they will definitely be getting benefited by all new developments.

- **GIRIRAJ DAGA – KM VESARIA FAMILY TRUST**

- Understood, understood. That helps actually. Thanks a lot.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Thank you Giriraj.

- **MODERATOR**

- Thank you. We take the next question from the line of Chintan Sheth from Sameeksha Capital. Please go ahead.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- Hi Anish jee. Thanks for the question. What will be the DAT numbers post the (37:44 unclear) as of December?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- DAT number?

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- Yeah.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- It's around 255 crores. Earlier it was around 400 crores.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- 255 crores?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yeah. Altogether as a concentrated basis.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Okay, okay. And what are our plans for repaying this debt also as we are planning to be a debt free company?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- I just wanted to add once there are certain things which are going in the company like whatever cash flow will be added in our book, we will be thinking of some different kind of a model or first of all our major concentration on that if whatever cash surplus we have we will repay the debt before 10 year time.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Okay. So over the next couple of years we will be...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- We will be a debt free company. If there are no further plans in – because the industry is having a huge demand of that kind of a model. If there is a further plan with us we will definitely let it be known in the market. But till now if we have cash in our system we will definitely repay the debt.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It is our first core target.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Okay. Any dividend policy we have outlined?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- We are thinking about it. We will definitely come up with news by the March quarter.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- Okay, okay, good to hear. And sir on the again coming back on the Panvel volumes as earlier participant asked, still we are not seeing – we are sticking back to that 80,000-83000 volumes at Panvel.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Correct.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- DPD again is one of the reasons and we are now focusing our energy towards domestic cargoes so that we can utilise our rain terminal more efficiently. So how do we see these volumes growing from here? Or we are okay with this 50000 quarterly number for Panvel assets?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So practically if you will see and the question is very valid, if you will see from the last quarter and last year's number it is flattish. But four TSAs now start operations. So there may be a positive side for us in the next 2, 3, 4 quarters.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- Okay. So we can see some...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yeah there may be definitely positive growth. But the number may not be – I am not able to give the sense towards number. But practically if you will see the port is on a growth path, we are also in a growth path. Our number of Vapi is right now if you will see it is in a – we are not yet satisfied to be frank with you. But it's in a positive manner.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- How does industry...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Industry if you will ask me industry really is on a growth path right now because there is a huge development on the DPD side, there is a huge development on the DSCC side, there is a huge development on the port side. PSA is coming up. PSA in new terminal by next year they are also having expansion plans. Now Nargol Port activity has already started. VadHAVAN Port activity has already started. I think so they have finalised the plans by June 2018. So there are certain activities in this industry which is totally positive for us because



till now if you will see there is no such development in the port side from the last 10 years. DSCC is also getting delayed.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- Okay, okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- But now they are really focused on the DSCC side. If you will see I am just giving one more thing, railway are coming up with the model of TCAS, it's Train Collision Avoidance System, RFID system. There are a lot of positive changes in the railways that they are coming up with.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Now they are coming up with train anti-collision devices. They are coming up with RFID tags. Right now if you will ask me under trains they are already doing by that system.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- But does that impact your cost curve on operating trains?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Not at all sir. It is the system which is provided by the railway for the safety. They just wanted to reduce our stress about safety. That is the major thing. That cost itself is borne by the railway. We will be the first mover advantage in that automatically or they are coming up with the ultra-modern thought processes which was earlier not used by the railway.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- That should improve...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yeah technology wise they undergo all kinds of things.

- **CHINTAN SHETH – SAMEEKSHA CAPITAL**

- That should improve more volumes going to...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Definitely, definitely.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Right, right.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- See Indian Railway currently are working on the automatic train protection system. They are working on the train protection warning system.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- They are working on the train collision avoidance system. So railway is doing right now ease of the model with the earlier model. So railway tracks are efficient in India. There is a problem of safety norms, there is a problem of the operations which they are not yet into the proper manner. Which they are improving right now.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Because railway if you will see which we understand from the last 11 years I have been there in this industry for the last 11 years, as per my understanding, as per my research, cost of movement for any cargo is cheaper first by water, secondly by rail and third by the road. So railway is cheaper than – very, very cheaper than road. Water is much more cheaper than rail. So the strategy which is a combination of rail, road and water by the government of India is in a positive manner. Because compared to the globe, emerging countries or the other countries, our logistic costs are much, much higher than other countries.
- **CHINTAN SHETH – SAMEEKSHA CAPITAL**
- Sure sir. All the very best. I will come back in queue if I have any questions.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yeah. Thank you.

- **MODERATOR**

- Thank you. We take the next question from the line of Dheeresh Pathak from Goldman Sachs. Please go ahead.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Yeah thank you. Hi Anish. Thanks for...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Dheeresh good morning.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Good morning. So Anish just clarifications on few things. So this DPD thing has been going on for a few quarters. So why are you only changing the way you are representing numbers to us this quarter?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- The reason behind that Dheeresh is because earlier our reported number including the shipping line data which was provided by the shipping job. Correct? But issue is what you know, once from the last quarter we just determined that thing, if the shipping line data and our data all-inclusive mismatch, because some containers are practically coming by DPD which is not the part from shipping line data.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- No but the way the business is coming to you DPD that has not changed...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Earlier we were not much taking the DPD cargo. We have started DPD cargo from the last quarter itself.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay. So how much volumes did you do DPD and domestic? Can you...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- If you will ask me DPD and domestic, there is not quantum as decided by the TEU side. But billing wise if you will ask me, total number which was reported number is around 86.96 crores out of which Exim cargo movement via shipping line is around 78.96 crores. And 7.55 crores invoicing which is purely done by DPD as well as domestic cargo movement.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- But there has to be an underlying TEU volume right? Because billing is per TEU.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- The problem is what you know Dheeresh, practically if you will ask me if I will divide my average per day realisation so that my number may be coming around 8000 TEUs. But there is a cargo segregation STL as well as LTL as well as purely domestic also. When somebody is clearing their cargo from other CFS and coming to me and we are giving that delivery to that hinterland over there in that premise. So broadly it is a 10 ton container, 10 ton cargo. So it is not even coming by the per TEU realisation basis.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- And just to confirm you are saying you were not doing DPD volumes – you started doing DPD volumes only in the last quarter.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Earlier we were having a slightly very few containers which were by the DPD. From last quarter we started DPD as well as the domestic both.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay. Can you give an example of domestic, and again can you give an example? I have not fully understood this.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Domestic we are doing for Deepak Fertilisers. Metal which was delivery taken by any other CFS. But we are doing from them for hinterland delivery.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- So let's say they take it as a CFS closer to JNPT port. And then it moves from there...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- It maybe any other CFS. It may Navkar too also. But if you would like to take delivery towards hinterland, we are taking with the RAR which is non-notified area.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay. No so the cargo comes from the port to the third party CFS. Then how does it move? Can you just explain where does it...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- By road.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- By road to your Panvel CFS.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yes Panvel CFS till my premise is under our non-notified area first thing.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- From there if they would like to take their cargo for warehousing for some days, because no other season warehousing in June. They don't even have a place.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- And then rail from there...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So what we are doing Dheeresh, what we are doing right now we also have 800 domestic containers with us. So if somebody would like to make a consultation over there in my yard for 4 to 5 different-different parties, we consume over there we just put into the container and we took delivery towards the hinterland portion like Nasik, Indore wherever they want. (47:25 unclear).
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay. And can you just explain that out of this 86.5 crores revenue how much is storage revenue and how much is transportation?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So that number right now I don't have handy but definitely I will share with you.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay. And how has the dwell time changed for us? You know...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Earlier it was around 12 days. It is now around 11 days, 11.5 days.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Only half a day?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- 11.5 days. 11.5.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Only one day change. Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yeah. But only one day is really a huge impact.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay. Because at 12 days how much are you charging per day? 400-500 per TEU or how much are you charging?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It varies Dheeresh. From day 1 to 3 – 1 to 3 days zero, from 4<sup>th</sup> day it is around Rs. 150 per day. So 4<sup>th</sup> day we may charge around Rs. 600.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- That is a standard tariff. That I can share with you separately.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay understood. And logistic part are you booking any revenues at Vapi logistics?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- No, till now no. We are waiting for the railways. There is certain enquiries for the logistics part. But we are majorly doing for the chemical till now. No other parties. But we are including in that package itself. While certain parties are in marble they are using our

logistics part. But till now we are not even giving single delivery to the party for logistics part. It is included in our package.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay so what will be the utilisation of the logistics part right now?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Hardly 5%.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- 5%.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Once the railway will commence, why we are waiting for certain parties we just want to procure the warehousing from Navkar. But we are not providing because after railway what will happen is once we will book for them then our railway will be impacted. For that we require another 2 lakh square feet yard. There is a huge enquiry but we are not doing purely for the logistics, for the warehousing purpose.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay. And did you say that from April 2018 you would start operationalising the railway?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Before that Dheeresh.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Before that, okay. And the other thing was – okay that has been delayed for a while. But not the timeline that you are sharing pretty confident on that.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yes, yes. Dheeresh I just wanted to give you the fair sense on that. Earlier two surveys were there. One survey which was giving us I think so in December mid and second one is finally surveyed by first week of Jan where they have just given certain changes due to the new railway guidelines. Because railway is now pressuring or having stress on safety measures. So although our yard is fully made by ultramodern facilities, but they have certain things. Like they are just giving us, right now we have a feeder line. They are just giving us that you can just change till 50 or 100 meters for the (50:32 unclear) over there. So as per that we just extended the 50 meters which is already done by us.



- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay. And last question, the capex for all that, the Vapi capex is all done or there is something left?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- No, no, it's all done. All done. Railway if you will go via railway from Mumbai railway, Mumbai-Surat line, you can see the direct connectivity from the station of Navkar.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yeah, yeah. So average railway line connected, railway signalling all done. OHT is done. Everything is done. Even though CRS the software that we require IT also does.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- So the capex for FY19 will be on new projects. On the existing business and assets there is no capex right?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- There is no further capex. New projects also will be brought in on those conditions once the Vapi one gets more incentives. We have started work in domestic right now which is also in the positive mode. Next quarter onwards I will give the numbers with purely domestic also.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- You got my point?

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Yeah. One more question if I can. I don't know if I have taken too much time but anyways.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yeah, yeah no issues.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- This JNPT to Panvel our realisations are about Rs. 12000 per TEU.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Correct.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- But JNPT to Vapi realisation is about 20000. But the distance is quite a lot right? Distance is almost like 10X or something like that.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- 175 kms.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Yes. So on one side Panvel is 30 kms far and Vapi is 200 kms away. So in terms of realisation, the realisation should have been meaningfully higher for Vapi.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- No, no, no, no Dheeresh. If you have to compare for party, per TEU realisation Rs. 30000 by us correct?
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Correct.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- In that 11000 which is right now from the JNPT port to CFFS inclusive of CFS charges.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Correct.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- And ICD the charges for that 200 kms remains same.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Correct.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It doesn't make sense for the 30 kms and for the 200 kms. If I am charging party today...
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- That should be almost 10 times more the transportation charges.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Transportation charges will change but it cannot be 10 times more. 30 kms from port to here is around Rs. 4000. Sir if you calculate this way that for 200 kms it should be 10 times more then it will not happen. From here to Borivali – you cannot compare that way.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- The comparison will be of the total distance. Generally 50km – the expense is Rs. 50 per kilometre in the longer distance.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- 50 kms per km per TEU.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yes. For the longer distance for 20 tonnes.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- The same thing for short term distance becomes lesser.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- So for 200 kms our transportation costs would be about Rs. 10000 for Vapi.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yes. We are taking Rs. 10000-11000.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- And the rest...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Rest is movement cost and we are making Rs. 6000 per TEU.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay. And some of it is for storage and warehouse.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- As soon as railway comes that 10000 will become 6000.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So in that 4000 we will get extra. And in that 4000 how much will be passed on that is up to us. But right now mark to mark you can't imagine till today whatever is our revenue that is increasing per TEU and our TEUs that are increasing, that is mainly increasing for those parties with whom they have worked and got satisfaction. So the 10000 TEUs that we are doing right now per quarter, the per quarter average of that, the one which we are doing 4000, that cargo is 25000 TEUs. That party's cargo we are doing 4000-5000.
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- So Anish logically in Vapi we should make higher ebidta per TEU just per our initial understanding.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yes. After railways it will be 100% -- sir the ebidta that we are making right now on Bombay, on 11000 we are making 4500 correct?
- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**
- Yes correct.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- On 20000 we are making 9000.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- After railway comes it will easily become 9000.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- The one which is about 4000 something.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yes. Because without railway – now what is happening sir is that it is a teething period for me. We are going and making the parties understand in the reverse direction and logistics part that once we will commence with everything, then the tent cleaning job has started full-fledged over there.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Alright.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- The multiple cargoes which are not even coming to us, even that container is coming to us for cleaning. So the logistics of that is getting saved. So what will happen is that these things in combination will come to the floor and the actual uniqueness in the similar level of Navkar Mumbai. So once all that happens then 10000 containers is not a big deal for Navkar right now because the potential market is where we are already working with people right now.

- **DHEERESH PATHAK – GOLDMAN SACHS ASSET MANAGEMENT**

- Great. Alright Anish. Thanks a lot and look forward to the railway operations.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yes, yes, yes. Thanks Dheeresh.

- **MODERATOR**

- Thank you. We take the next question from the line of Shalini Gupta from Quantum Securities. Please go ahead.

- **SHALINI GUPTA – QUANTUM SECURITIES**

- Yeah Anish I just wanted to check the number of rates handled during the quarter.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- 145.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- 145? And in third quarter of last?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Last year third quarter wait a minute. I will just see the number. Last quarter 139 and before that quarter it was 127. I will just give you the number last to last quarter. Previous quarter same time. I don't have it handy with me right now?
- **SHALINI GUPTA – QUANTUM SECURITIES**
- Because you know the number that I have in my sheet is 165.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yeah.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- Then I mean the rates handled are actually coming down.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Correct. But earlier we are usually if you will see last year 165 there is a number with you handy, that we are maximum trains whichever we handled in last year for the (56:53 unclear) delivery. But that 145 if you will ask me, 87 trains which we handled for the hinterland.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- And just one more statistic, like could you just comment on the incentives that you have offered during the quarter? If you can give a – put a number to it.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yeah, yeah I will just give you the number. Till last quarter our incentive was altogether 9.33 crores which is now 6.44 crores.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- 6.44 crores. 64 million.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Secondary items if you see there is a port handling which is also part of incentives which was earlier 2.41 crores which is now only 82 lakhs.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- Sir can you just come again?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- If you tell me incentive which was till last quarter 9.33 crores, Q2, and the same time last year if you see Q3 was 12 crores.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- Correct.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- And this quarter it is around 6.44 crores.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- Correct, correct.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Second thing the port handling charges which is also part of incentives, which was last year same quarter was 2.61 crores, last quarter Q2 2017-18 was 2.41 crores, and December quarter it is only 82 lakhs.
- **SHALINI GUPTA – QUANTUM SECURITIES**
- Okay. That's it from my side. Thank you.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Thank you.
- **MODERATOR**
- Thank you. We take the next question from the line of Shreyas Bhukanwala from Canara Robeco Mutual Fund. Please go ahead.

- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**

- Good afternoon sir. Sir just want to understand one more thing on the DPD side. Like if I see overall the overall DPD volumes have been like the share of DPD have been increasing from almost 26-27% to now 35% roughly in the overall JNPT. And even our share in that has been quite good. So say suppose going forward if these volumes keep on increasing in terms of even the penetration of the DPD volumes, so will that have an impact on the margins and our realisations?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- It may definitely impact on our margins. But practically if you will ask me, after DPD certain CFS are getting down. So the cargo by default will come to us.

- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**

- Yeah but like what might happen is we might see a volume increase. But then there would be a realisation dip as well right?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Realisation may dip. But the costing remains same. If you will ask me today I have a tariff for import is 15000. After DPD it may be around 10000. But out of that 15000 right now I am paying 5000 for the incentives. So per TEU realisation for me is only 10000.

- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**

- Okay, okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So they may dip in – DPD volume maybe around 10000 to it may be getting down by 9000. But below than that nobody is having a control. Nobody can do that also.

- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**

- Okay, okay. So what margin difference these volumes would have roughly? Any idea on that?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Margin means what? Per TEU realisation or on the ebidta level?

- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**

- On the ebidta level.



- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It may be around, per TEU ebidta level maybe around Rs. 4000 or 4500. It all depends on the distance or it all depends on the delivery to whom you are giving. Like somebody is having right now no business then he may do in 3000 too.
- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- But you require a hinterland delivery by Navkar, then I will have to give entire package to party. In that case I may earn Rs. 5000 per TEU.
- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**
- Okay. And your outlook on the multimodal logistics what we were planning, anything on that?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So our multimodal logistics what we are doing what we did in Panvel we have a CFS purely with non-notified area. But we don't have a pure-pure warehousing segment. So if you will compare with the domestic logistics and domestic warehousing and Exim warehousing the cost is really-really very high. So in that context today what we are doing, somebody is having a cargo for South Gujarat until (1:1:31 unclear). They may come via rail or they use ICD of Navkar. What we will do, we will just take that cargo from that particular container and put it to our logistics part. So in that context what is going to happen, as in today we are doing for the marble market right now for classic NITCO if you will ask them, what they are doing they just take that import towards my premises, they just put that cargo into the my logistics part, and as and when the party requires they just come along with the party to my premises, show them, and form there directly giving that delivery to the party.
- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**
- Okay, okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So in that case what happens, party is having an ease of business.
- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**
- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Any which ways they will have to take the warehouse. So they are using my warehousing.
- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**
- But you were planning few other warehouses as well right in few other places?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- No but right now we are not having such plans. We have a thought process. But whenever we will have any other further development on that side we will definitely let you know or let the market know.
- **SHREYAS BHUKANWALA – CANARA ROBECO MUTUAL FUND**
- Okay thanks, thanks a lot.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Thank you.
- **MODERATOR**
- Thank you. We take the next question from the line of Mukesh Saraf from Spark Capital. Please go ahead.
- **MUKESH SARAF – SPARK CAPITAL**
- Good afternoon Anish. Just had a question on Vapi. Once your railway starts you said that the transportation costs will come down from say 10000 or 11000 to 6000. And your ebidta can hence go up. But just wondering wouldn't you be – wouldn't you have to pass around entirely because that is the key advantage that you are providing to customers to not use the CFSS.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- I just want to interrupt here Mukesh. Practically wouldn't want to go for that because right now also party is getting benefited with Rs. 4000-5000 per TEU.
- **MUKESH SARAF – SPARK CAPITAL**
- Okay. If they use a CFS and then move it to...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- They got – understand right now it is around 20000-21000 per ton. So it is in my hand tomorrow, I will take that delivery. Whether I do it by road or by rail it is my choice. Which is

also in Mumbai too. So nobody is having that impact that tomorrow if I will move that cargo or container from the train so the power is with me. I can give them Rs. 1000 extra additional discount. But I don't give the entire Rs. 4000 to him. Because for that railway itself we are feeding for that 1 year.

- **MUKESH SARAF – SPARK CAPITAL**

- Right.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- That is only the bread and butter for me right now after expansion like that.

- **MUKESH SARAF – SPARK CAPITAL**

- Right. And just in continuation last quarter you had mentioned that there was some traffic which moved from JNPT to Hazira. I think especially the marbles traffic. So do you see more such movement and hence would realisation differ for you if you have to cater it via Hazira.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- My realisation is not impacted boss. The delivery which was taken from the party from JNPT it was entire package for the party. Correct? So earlier for party the cost from Mumbai port to their destination was around 25000. It was reduced by 2000 to Rs. 23000. But for my package earlier was also 21000 today also it is 21000. My cost will remain same.

- **MUKESH SARAF – SPARK CAPITAL**

- Okay. Irrespective of...

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- But ease of business for them as per the delivery model.

- **MUKESH SARAF – SPARK CAPITAL**

- Right, right, right, okay, okay. Right. That's it from my side. Thank you.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Okay Mukesh.

- **MODERATOR**

- Thank you. We take the next question from the line of Dhruv Agarwal from Ashika Group. Please go ahead.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Hi Anish good morning. So I just have a couple, of questions. So you said that last quarter you've gone from Exim to DPD and the domestic cargo model right?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Correct.

- **DHRUV AGARWAL – ASHIKA GROUP**

- So I understand the domestic was let's say some other just hinterland movement from some other CFS to let's say Vapi or any other internal location. So what's your business model for DPD cargo here? Like can you just give me an example of a customer just like a business model here?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Practically if you will ask me business model which we have right now is Exim as well as the domestic model. Correct?

- **DHRUV AGARWAL – ASHIKA GROUP**

- Right.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- If the cargo is cleared from the port by the party, they have a choice to take the cargo towards any of the CFS.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- But it is practically not under the CFS.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Right.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So it may be going into the non-notified area. It is treated as domestic cargo itself. Got my point? If you are an importer, you take delivery from the JNPT port, you just clear all the documentation over there. You just clear the duty. And the cargo belongs to you only.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay I get it. So as an importer if I want....

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- If you want to choose the CFS Navkar after choosing any other CFS too. So you can move your delivery towards my premises.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Right. Okay so then in this DPD model basically once the importer gets it cleared directly from the port and then it becomes a domestic cargo because he can choose how to move it and store it basically.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Right. If you will see that is why I am using the world, DPD as well as domestic.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Got it, got it.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Got my point? Somebody is having their cargo not from the import purpose but he is also having the cargo which is going for export originally. But he wanted to change the delivery for the domestic purpose itself. That is not treated as Exim cargo.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Got it, okay. Understood.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- If somebody is running the train from Indore for say rice, from that 90 containers out of that 90 maybe 50 container you just want to move for the Maharashtra region domestic delivery. But then I can do that because I am only the person in JNPT port who is having the PFT license. PFT allows me to cater all kinds of cargo. Not only the (1:07:31 unclear) wagons. We are catering -- having a capability to cater to container trains, we have the capability to handle the open bulk cargo wagons. Bulk cargo wagon, all kinds of trains we can handle.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Understood.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Apart from passenger.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Okay. So that's why DPD and domestic come together because basically it can be split between domestic movement also...
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Why we are coming up with this model and the reason behind that is we are just waiting for how much DPD volume will be getting stuck somewhere else. Because in DPD frankly speaking the margins are slightly lesser than the CFS margin. So we are just using our premises for major movement of Exim cargo and the DPD cargo which we started by this quarter it is not purely from the DPD purpose.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Okay understood.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It is for domestic purpose. Like somebody is having the hinterland delivery he just wanted to use our premises for making the cargo for the Exim purpose, export purpose. We can utilise or give our premises to him. So we are now having a model of domestic and logistics warehousing as well as the domestic logistics hinterland delivery.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Understood, okay, got it.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Which was earlier also if you go through all calls we are always giving a sense of the same thing we have a model for domestic as well as Exim cargo movement with all kinds of facilities. Under the single roof.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Right now we would like to take a terminal for Navkar. See Navkar Corporation Limited, CFS, ICD, domestic, PFT model which is running right now.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay. And so do you think this DPD and domestic model to be a significant part of the business in the next few quarters or coming years?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Sir that's why before you asked I just wanted to clear out over here, Dheeresh was asking the same question and I was giving the sense, from next quarter also we will give you a fair sense about the domestic what we are running. Because till now people are having the hinterland delivery by domestic is not giving much profitable business. But for us because we are giving them the package for the entire hinterland delivery, we are getting benefited at the railway side too. Because party don't have restrictions, cargo will have to move by road or rail. It is in the package right now.

- **DHRUV AGARWAL – ASHIKA GROUP**

- They just want the final delivery. That's it.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Correct. So in that case our relations are pretty good on the domestic side also.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Understood, okay. So and when you mentioned that railways is a big advantage for you and also you have first mover advantage, I want to understand what kind of a partnership do you have here and does it prevent other competitors also using the same platform?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So practically if you will ask me we don't have any kind of a restriction if somebody would like to use my railway tracks.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- 13 CTO I don't want to give any names to you because it is really agreed terms with them to confidentiality we will have to maintain. So there are certain CTO license holders. They are really working with me right now. We are using their rails. It is a facility for terminals. If somebody would like to use my terminal we are giving them the terminal facility too. So we are open to all kinds of cargo.

- **DHRUV AGARWAL – ASHIKA GROUP**
- Okay.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- So if you are the party and if you would like to make your own arrangement in CTO license, you would like to run train till my terminal I can charge you the terminal charges only.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Okay got it.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- And at the same time if you have half a train from the same destination and you allow me to make the train filled up with my cargo I can make an arrangement too. So it's a barter system. In that case (1:11:32 unclear) paid by the party and we are using that containers for my premises and we are not charging you terminal charges.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Okay. So you can partner up with other players to make it a full train basically.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- All kinds of combinations. My marketing team right now is really very active on both sides.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Got it. Inbound and outbound basically.
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Everything, everything. If somebody is coming with his own train, if somebody would like to use my terminal, so all kinds of operations we have already started.
- **DHRUV AGARWAL – ASHIKA GROUP**
- Okay. And just the starting of the decade let's say corridor would it make a significant difference there?
- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- Yes definitely. In DSCC today I will just give a fair sense of the railway model right now, right now railway model in India is having 10 km signalling system. Each and every 10 kms we have a signalling system. And with that we are running right now 900 meters train.



Earlier it was 783 meters practically. So earlier we did around 2750 tons train which is now 3600 tonnes

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So with that efficiency of railway track our railway speed for domestic (1:12:41 unclear) as well as container train is 30 kms per hour.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay, okay.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- After DSCC what is going to happen average signalling system maybe having around 30 to 40 kms distance.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Got it.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- And in that case railway will run the domestic train which is for the goods purpose the average speed maybe 80-90 kms per hour.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay 80 to 90 per hour. Got it.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yeah. So today if your cargo for 200 kms may be reaching in 12 hours, it may take only 4 hours.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Oh okay. So one third of the total time.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Yes. So in that case what happens your movement on the railway side will be slightly positive first thing. Second the cost which is getting really drastically reduced. Each and every signal you have to run the train and on an average if your turnaround time which is 3

times today which will be getting one fourth or one third, your costing maybe reduced in to the line of that particular item.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay, okay got it.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- So DSCC is really a positive advantage for the industry as well as railway operators.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay understood. So last question. Actually so I was – just pardon me, I may be wrong here but I was actually trying to find the last few quarters' call transcripts but I couldn't find it. So could you just guide me is there any place where I can look for these?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- It's on my website.

- **DHRUV AGARWAL – ASHIKA GROUP**

- It's on the website?

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- You can take from my website. All transcripts there on my website.

- **DHRUV AGARWAL – ASHIKA GROUP**

- Okay no problem. That's it thank you.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**

- Thank you.

- **MODERATOR**

- Thank you very much. Well that seems to be the last question. I now hand the floor over to Mr. Sreesankar for his closing comments.

- **MR. SREESANKAR – PRABHUDAS LILLADHER PVT LTD**

- Thank you Janice. Thank you Anish. It was such an engrossing discussion that we had and thanks for answering patiently all the questions from the investors and analysts. And thank you all the participants.

- **MR. ANISH MAHESHWARI – CFO, NAVKAR CORPORATION**
- It was really a pleasure for us for giving us an opportunity to put you on the revenue side and all questions will really help us for improvement of the capability of the company.
- **MR. SREESANKAR – PRABHUDAS LILLADHER PVT LTD**
- Thank you. Janice you can close the call.
- **MODERATOR**
- Thank you very much. Ladies and gentlemen on behalf of Prabhudas Lilladher Private Limited we conclude today's conference call. Thank you all for joining us and you may now disconnect your lines. Thank you.

**END**