

## Navkar Corporation

Navkar Corporation Limited (NCL) is engaged in Container Freight Station (CFS) operations and related activities. The Company is focused on capitalizing the available opportunities in the logistics space in western India. It is expected that NCL will post revenue CAGR of 32.7% and PAT CAGR of 31.3% over FY2016-18E. Going forward, it is expected that NCL's utilizations will improve and the company would be able to garner a good chunk of business over the next three to four years due to its rail advantage at both JNPT and Vapi. NCL's Vapi terminal suggests healthy pace of construction for both logistics park and rail siding. Management expects 100k teus in FY17 given gradual volume ramp up by local industries FY18 volume uptick to be much stronger given the benefits of rail siding. Management expects to further reduce its pricing (Rail + ICD) once its rail operations start, pricing will be 30-40% cheaper. Moreover NCL's logistics park will also offer warehousing and other value-added services, enabling it to offer end-to-end logistics solution to importers/ exporters – this will pull demand. Competitive threat is limited given strategic location with rail/ road (NH 8) connectivity and new greenfield project may not be economically viable given paucity of adequate land parcel, coupled with sharp escalation in land prices.

**Hence Buy.**

## BUY

CMP ₹180

### Stock Info

Sector	Logistics
Market Cap (₹ cr)	2,557
Beta	0.6
52 Week High / Low	224/151
Avg. Daily Volume	38,653
Face Value (₹)	10
BSE Sensex	26,150
Nifty	8,074
Reuters Code	-
Bloomberg Code	NACO@IN

### Shareholding Pattern (%)

Promoters	72.9
MF / Banks / Indian Fls	16.5
FII / NRIs / OCBs	8.1
Indian Public / Others	2.6

Abs. (%)	3m	1yr	3yr
Sensex	(7.0)	2.5	25.4
Navkar Corp.	(7.3)	(2.5)	0.0

Note: Stock listed on September 9, 2015

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<b>Disclosure of Interest Statement</b>	<b>Navkar Corporation</b>
1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

<b>Ratings (Based on expected returns)</b>	<b>Buy (&gt; 15%)</b>	<b>Accumulate (5% to 15%)</b>	<b>Neutral (-5 to 5%)</b>
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