Navkar Corporation

Spreading its Wings

Navkar Corporation (NCL) is one of the largest container freight station (CFS) at JNPT and also one of the three CFS with rail connectivity that provides it an edge over its peers. The current capacity stands at 310,000 TEUs and it has amongst the highest market share at JNPT mainly owing to this rail advantage. Post the IPO, the company is in a massive expansion mode and will be increasing its capacity at Somathane CFS by 252,889 TEUs to 472,889 TEUs and is also coming up with an inland container depot (ICD) at Vapi with capacity of ~474,000 TEUs and an adjacent Logistics Park.

Upcoming ICD to provide an edge: The Vapi region has a huge market potential as it is a well developed industrial area. As per the Management and industry sources, the Vapi region accounts for close to 27% of container volumes at JNPT. We believe that ICD (with rail connectivity) will enable the NCL to garner a good portion of the business from the region. At present, imports headed for the region have to get custom cleared at CFS/ICD at JNPT and are then transported via road. With rail transport being a more economical option compared to road, the imports should head directly to Vapi ICD. As for exports from Vapi region, a large portion (~60%) is stuffed at factory and transported to JNPT. However, the balance 40% or ~170,000 TEUs (less-than-container load [LCL]) which is being transported via road and consolidated at JNPT, can be consolidated at the ICD. Once the scale advantages kick in and given its rail advantage, the company can also cater to some portion of bulkier factory stuffed cargo.

Capacity enhancement at Somathane to aid revenue growth: The company has managed to outgrow its peers in the region by attracting volumes on the back of its rail advantage. NCL has been facing capacity constraints at JNPT and is forced to reject certain bulk commodities like PTA, Fiber, Scrap, Marble, etc. Although the current South Gujarat volume of NCL (~70,000 TEUs) is expected to shift to the Vapi ICD, the company will now be able to handle these bulk commodities and effectively utilize its extended capacity. NCL will now also be handling domestic traffic, which it had been rejecting earlier, thus aiding growth.

Logistics park at Vapi to be an additional revenue driver: The logistics park will be a one-stop solution for importers and exporters, providing a host of warehousing and other value added services. Its close proximity to one of the largest industrial clusters in India augurs well for NCL.

Outlook and Valuation: We estimate NCL to post a revenue CAGR of ~26% and PAT CAGR of ~31% over FY2015-18E. We have factored in lower utilisation levels of 33.2% and 42.2% for FY2017E and FY2018E respectively. At current levels, the stock is trading at 18.0x its FY2018E earnings. Historically, NCL has consistently grown at JNPT and increased its utilisation from 68% in FY2012 to 87% in FY2015 by leveraging on its rail advantage during periods where JNPT posted flattish volume growth. Going forward, we expect NCL's utilizations to increase; we expect NCL to 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. Moreover, the capacity addition at JNPT port serves as an additional long-term trigger for the stock. **We initiate coverage on the stock with a Buy recommendation and target price of ₹265 (23.0x FY2018E EPS), indicating an upside of ~27% in the stock price from the present levels.**

Key Financials

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E	FY2018E
Net sales	**349**	**329**	**365**	**436**	**664**
% chg	*4.8*	*(5.9)*	*11.2*	*19.3*	*52.2*
Adj. Net profit	**90**	**73**	**80**	**84**	**164**
% chg	*58.7*	*(18.7)*	*9.9*	*4.3*	*95.8*
EBITDA margin (%)	35.5	40.7	38.3	37.5	37.5
EPS (₹)	**6.3**	**5.1**	**5.6**	**5.9**	**11.5**
P/E (x)	32.9	40.5	36.8	35.3	18.0
P/BV (x)	6.9	3.9	2.3	2.2	1.9
RoE (%)	21.0	9.7	6.3	6.1	10.7
RoCE (%)	12.8	9.1	6.7	7.5	11.4
EV/Sales (x)	9.7	10.7	8.9	7.6	5.0
EV/EBITDA (x)	27.2	26.2	23.3	20.4	13.2

Source: Company, Angel Research, Note: CMP as of January 4, 2016

BUY

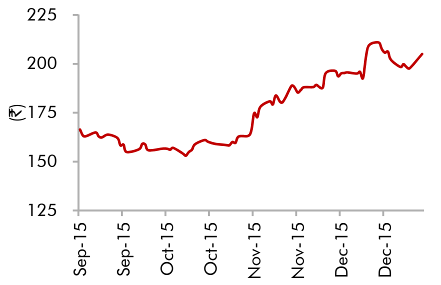
CMP	₹208
Target Price	₹265
Investment Period	12 Months

Stock Info	
Sector	Logistics
Market Cap (Rs cr)	2,962
Net Debt	549
Beta	0.6
52 Week High / Low	221 / 151
Avg. Daily Volume	254,152
Face Value (Rs)	10
BSE Sensex	25,623
Nifty	7,791
Reuters Code	NA
Bloomberg Code	NACO@IN

Shareholding Pattern (%)	
Promoters	72.9
MF / Banks / Indian FIs	15.3
FII / NRIs / OCBs	6.2
Indian Public / Others	5.7

Abs. (%)	3m	1yr	3yr
Sensex	(0.2)	(4.9)	33.6
NCL	33.3	NA	NA

Historical share price chart



Source: Company, Angel Research

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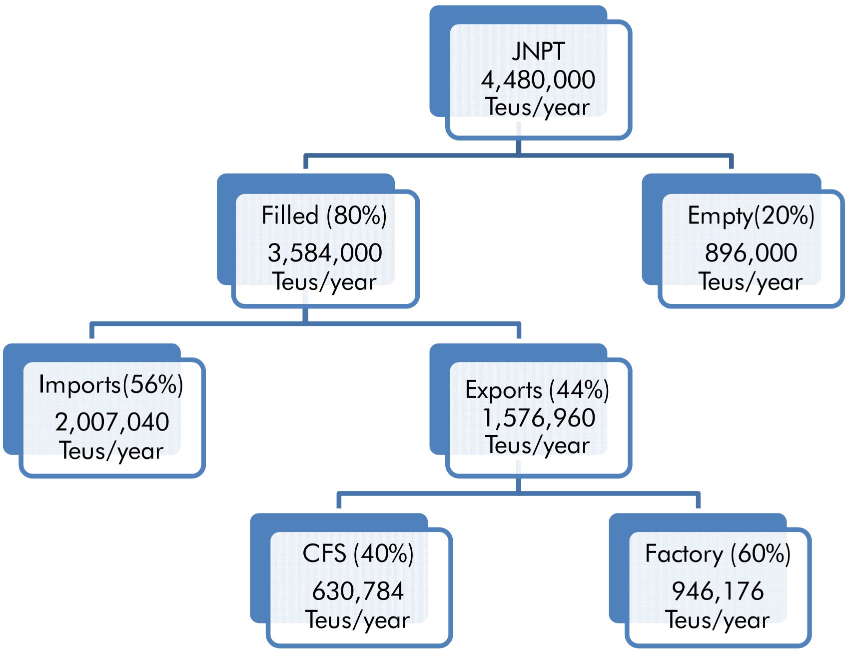
Investment Arguments

Vapi ICD and logistics park, an upper hand on competition

The ICD will come up at an outlay of ₹380cr and will have a total capacity of ~474,000 TEUs.

NCL is in the process of setting up an ICD and a fully-integrated logistics park at Umergaon, Valsad district (near Vapi). The ICD will come up at an outlay of ₹380cr (funded via debt and internal accruals) and will have a total capacity of ~474,000 TEUs. The ICD is expected to be fully operational with a rail link by June 30, 2016. The company will cater to the South Gujarat EXIM traffic of JNPT through the ICD.

Exhibit 1: JNPT volume break-up (TEUs)

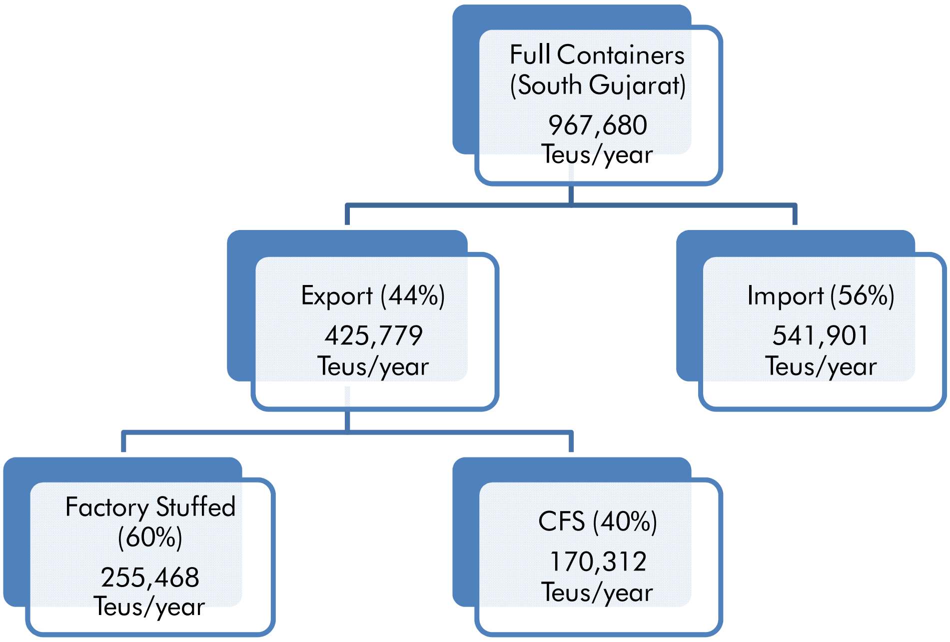


Source: Company, Angel Research

Of the total export volume (full containers) of JNPT, ~27% or ~426,000 TEUs arises from South Gujarat and ~170,000 TEUs goes through CFS

Early moreover advantage in South Gujarat to help capture export market: Of the total export volume (Full Containers) of JNPT, ~27% or ~426,000 TEUs arises from South Gujarat and ~170,000 TEUs goes through CFS. At the moment, NCL does ~30,000 containers from the area around its proposed ICD which suggests that it can capture a lion's share of the balance ~140,000 TEUs on account of being the only ICD present in the region with a rail link. Besides Rail transport would enable the company to transport factory stuffed cargo in a more economical and time bound manner, thus making rail a preferred mode of transport (six hours' distance between Vapi ICD to JNPT via rail vs ~12 hours by road). The ICD which caters to South Gujarat, will enable consolidation of LCL cargo thus enabling the company to capture a good portion of Export volume arising from the region.

Exhibit 2: South Gujarat volume break-up (TEUs)



Source: Company, Angel Research

Of the total container volume at JNPT (full containers), ~5,42,000 TEUs of import traffic is South Gujarat bound, which should more or less translate to CFS/ICD volumes

Potential to Capture capture import market of South Gujarat: As for Imports, of the total containers volume at JNPT (Full Containers), ~5,42,000 TEUs of import traffic is South Gujarat bound, which should more or less translate to CFS/ICD volumes. We believe that NCL should avail to an early mover advantage in the region and successfully utilize the new facility. Additionally, the JNPT port is working at peak capacities and is in the process of doubling its capacity over the next few years which should boost container volumes of South Gujarat. However, we have not factored in any benefits from this capacity expansion and proposed satellite Wadhwan port in Dahanu which will be four times JNPT's current capacity.

Logistics park would provide additional trigger for NCL

As for the logistics park, the company will be incurring a capex of ~₹315cr which will be funded through IPO proceeds. The facility will be a one-stop solution for importers and exporters, providing a host of warehousing and other value added services including cold storage facility for perishable goods, a container maintenance, repair, servicing and cleaning yard, an empty container yard, and garage facility with a workshop for maintenance of vehicles.

The company will operate this logistics park through three models - (1) value basis, (2) space basis and (3) quantity basis. Considering that both the ICD and the logistics park are in close proximity to one of the largest industrial clusters in India, we expect both the ICD and the logistics park to witness a gradual improvement in utilisation levels over the longer run.

Bounce in utilisation rate to trigger strong growth over the long run

NCL is currently in an investment phase with capacity expansion taking place at Somathane CFS and new ICD coming up in Vapi. As a result, the blended utilisation levels are expected to remain at low level initially. However, this places the company in an advantageous position from a longer term perspective owing to macro level factors working in the company's favour. As utilisation levels pick up, NCL will generate strong cash flows, which will enable it to further expand its presence.

Exhibit 3: Capacity and utilisation details of NCL

	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E	FY2018E
CFS I (Ajivali)		25,000	25,000	25,000	25,000	25,000	25,000
CFS II		65,000	65,000	65,000	65,000	65,000	65,000
CFS (Somathane)		220,000	220,000	220,000	220,000	220,000	220,000
CFS (Somathane-New)						252,889	252,889
Valsad district (near vapi) - ICD- NTL					474,000	474,000	474,000
Total Capacity (TEUs)	310,000	310,000	310,000	310,000	7,84,000	10,36,889	10,36,889
Total Capacity Utilized (TEUs)	210,800	220,182	244,128	268,836	291,400	344,610	437,802
yoy growth (%)		4.5%	10.9%	10.1%	8.4%	18.3%	27.0%
Capacity Utilization	68.0%	71.0%	78.8%	86.7%	94.0%*	33.2%	42.2%
Logistics park at Valsad (near Vapi)						4,400,000	4,400,000
(11,00,000 Sq. ft)							
Capacity Utilization							20%

*Source: Company, Angel Research; Note: *Utilisation excluding Vapi ICD*

Capacity expansion at JNPT to compliment capacity expansion at Somathane and Vapi ICD

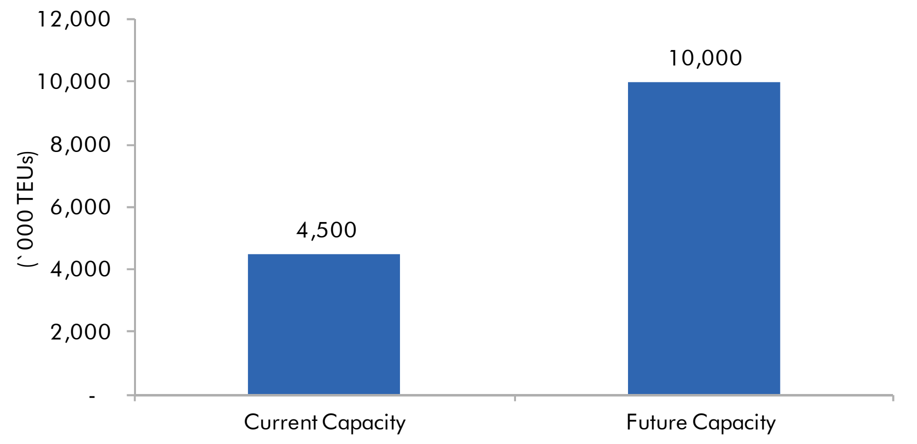
JNPT has initiated the process of expanding its capacity from 45,00,000 TEUs at present to 1,00,00,000 TEUs over the next few years....compliments Somathane expansion and upcoming ICD at Vapi

As mentioned above, JNPT has been operating at peak capacities, thereby favourably impacting CFS volumes in the region. However, the port has initiated the process of expanding its capacity from 4,500,000 TEUs at present to 10,000,000 TEUs over the next few years. Largely, 100% of import volumes get converted to CFS volumes while 30%-40% of export volumes go through CFS/ICD. We believe that NCL is uniquely placed to benefit from the capacity addition at JNPT as it operates at a utilization level of ~87% (as of FY2015), and will be enhancing its capacity at Somathane to cater to the expected increase in container volumes at JNPT. Currently, the Somathane CFS has a capacity of handling 220,000 TEUs, and the company is planning to install a Rubber Tyred Gantry Crane (RTGC), which will increase the capacity to 472,889 TEUs. The company will be incurring an incremental capex of ₹115cr which will be funded via IPO proceeds. The installation is expected to be in operation by 2HFY2017.

NCL has increased its utilization from 68.0% in FY2012 to current levels and we believe that it can continue with the trend of outperforming its peers in the region and efficiently utilize its extended capacity. Additionally, the capacity expansion at

JNPT augurs well for volumes at the upcoming ICD at Vapi by way of higher import and export volume for South Gujarat.

Exhibit 4: Incremental capacity addition at JNPT

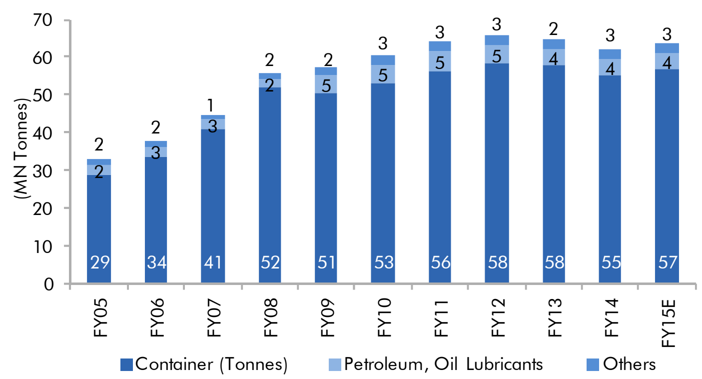


Source: Company, Angel Research

Strong position at JNPT

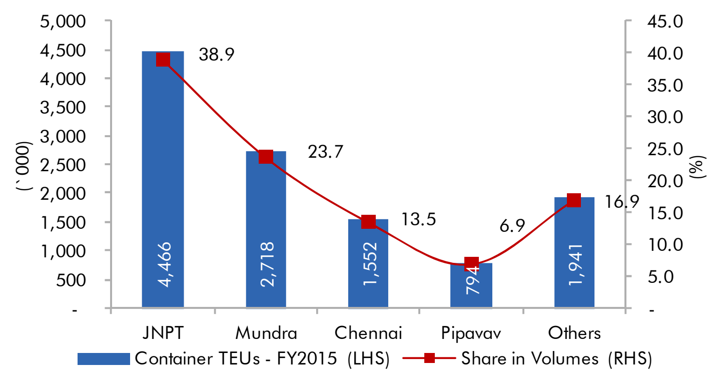
NCL, till date has its operations solely at the JNPT port, which happens to be the largest container port in India (containers account for the highest portion in the total cargo handled at JNPT). NCL has exhibited a strong growth over the past three years, thereby steadily growing its market share at JNPT. As per our reckoning, NCL has increased its market share from 10.8% in FY2012 to 13.4% in FY2015. This came at a time where volumes at JNPT have been flat as the port operates at peak capacity levels in terms of container TEUs.

Exhibit 5: Historical Break-up of JNPT traffic



Source: Ministry of Shipping, Angel Research

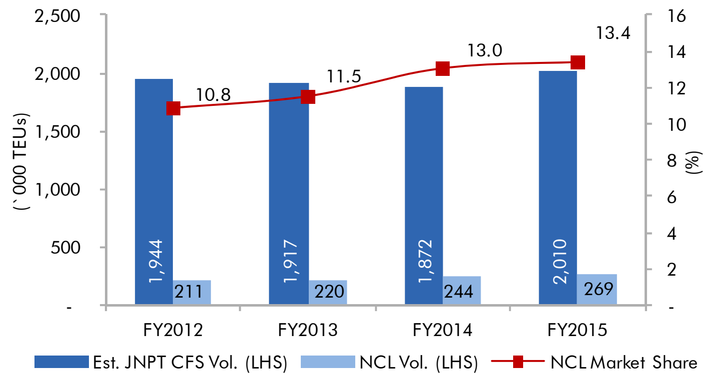
Exhibit 6: Vol. at major ports incl. Mundra & Pipavav



Source: Ministry of Shipping, Angel Research

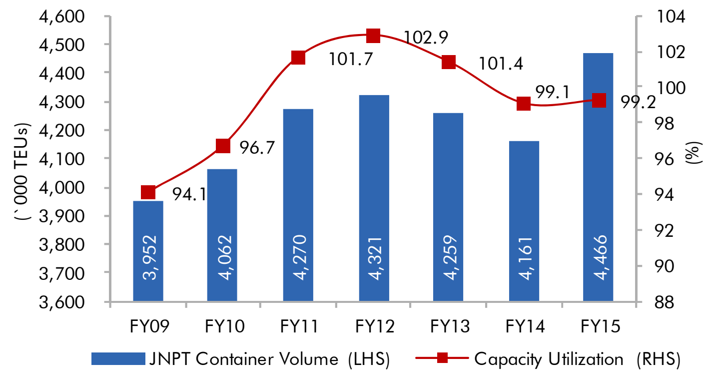
Over FY2012-15, the company managed to post a volume CAGR of 8.4% while JNPT container volumes posted a flattish CAGR of 1.1%. The volume growth and market share gains can be attributed to NCL being one of the only three PFT operators at the port, the others being Container Corp (CONCOR) and Hind Terminals.

Exhibit 7: NCL gaining market share at JNPT



Source: Company, Angel Research

Exhibit 8: JNPT operating at peak capacity

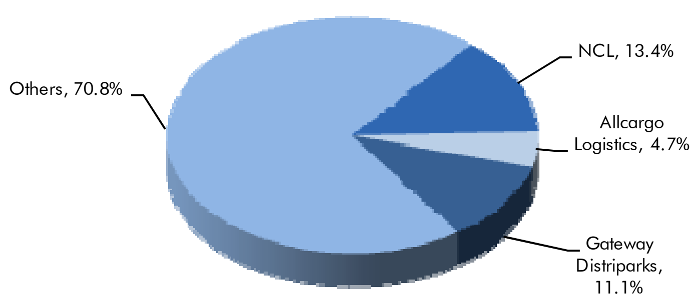


Source: IPA, Angel Research

The PFT advantage allows NCL to reduce delays in transportation of containers between Somathane CFS and JNPT and increase its container throughput.

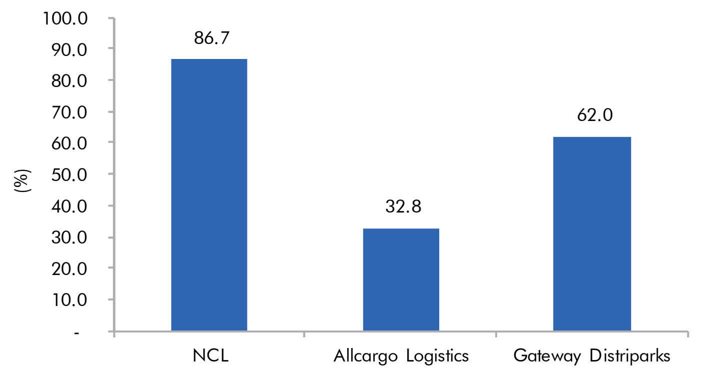
The PFT advantage allows NCL to reduce delays in transportation of containers between Somathane CFS and JNPT during times of congestion and increase its container throughput. This is evident in the growing volumes and utilization post the PFT being operational in 2012. For FY2015, of the total container traffic handled by the company, ~16% was transported over the rail network and this has increased to ~20% in 1HFY2016. This contribution is further expected to improve on account of a) capacity enhancement at Somathane CFS, b) third track now being operational (NCL had two tracks operational in the past year) and c) capacity expansion at JNPT over the next few years. We believe that the company can capitalize on its strong position at JNPT and further outperform its peers which have lagged NCL in the past few years.

Exhibit 9: JNPT CFS Market Share



Source: Company, Angel Research

Exhibit 10: Capacity utilization at JNPT



Source: Company, Angel Research

Outlook and Valuation

We estimate NCL to post a revenue CAGR of ~26% and PAT CAGR of ~31% over FY2015-18E. We have factored in lower utilisation levels of 33.2% and 42.2% for FY2017E and FY2018E respectively. At current levels, the stock is trading at 18.0x its FY2018E earnings. Historically, NCL has consistently grown at JNPT and increased its utilisation from 68% in FY2012 to 87% in FY2015 by leveraging on its rail advantage during periods where JNPT posted flattish volume growth. Going forward, we expect NCL's utilizations to increase; we expect NCL to 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. Moreover, the capacity addition at JNPT port serves as an additional trigger for the stock. **We initiate coverage on the stock with a Buy recommendation and target price of ₹265 (23.0x FY2018E EPS), indicating an upside of ~27% in the stock price from the present levels.**

Exhibit 11: Peer Valuations

		Sales ₹ Cr	OPM (%)	PAT ₹ Cr	EPS ₹	ROE (%)	P/E (x)	P/BV (x)	EV/Sales (x)	EV/EBITDA (x)
NCL	FY2018E	664	37.5	164	11.5	10.7	18.0	1.9	5.0	13.2
Gateway Distriparks	FY2018E	1,596	28.3	251	23.1	20.4	13.6	2.6	2.3	8.2
Allcargo Logistics	FY2018E	7,737	9.6	441	19.1	15.8	10.4	1.7	0.7	7.0
CONCOR	FY2018E	8,869	22.1	1,347	69.1	13.7	19.5	2.7	2.7	12.1

Source: Company, Bloomberg, Angel Research

The downside risks to our estimates include

- The company is exposed to currency risk with foreign currency debt of ₹194cr on its balance sheet (as of 31-03-2015). The company uses dollar call options to hedge against dollar appreciation and as per the term, the foreign currency debt will get converted to INR debt upon dollar rate hitting the strike price. In this event, the interest rate on the INR debt will be at ~12%.
- Currently the company is paying lower taxes, with it getting tax benefits for its CFS operations. Once the exemption period is over, the company will have to pay higher taxes, which could impact its earnings growth.
- Delay in capacity expansion and lower than expected utilization of existing CFS as well as existing players increasing their capacity at JNPT could impact the profitability of the company. Delay in capacity enhancement at JNPT can also impact the top-line.
- The company operates a PFT at JNPT which has helped the company in increasing its volumes. Lapse in agreement with the Indian Railways will lead to company being unable to operate its PFT.

Company Background

NCL is a CFS operator with three CFSs, Ajivali CFS I and Ajivali CFS II at Ajivali and Somathane. All of its CFS units are strategically located in close proximity to the JNPT which is the largest container port in India. As of May 31, 2015, NCL's CFSs had an aggregate installed handling capacity of 310,000 TEUs per annum. It has PFT which facilitates loading and unloading of cargo from container trains operating between Somathane CFS and JNPT and to transport domestic cargo to and from inland destinations on the Indian rail network. As of May 31, 2015, it also owns and operates 516 trailers for the transportation of cargo between its CFSs and the JN Port by road. The company offers services like cargo storage facilities at CFSs, packing, labeling/bar-coding, palletizing, fumigation and other related activities. It also provides warehousing facilities, for which, it occupies an aggregate area of 500,000 sq ft.

Exhibit 12: CFS details

Particulars	Ajivali CFS I	Ajivali CFS II	Somathane CFS
Location	Ajivali village, Panvel	Ajivali village, Panvel	Somathane/Ashte village, Panvel
Area Custom Notified	135,156 sq. ft.	428,400 sq. ft.	1,073,224.35 sq. ft.
Operational since	May 12, 2008	May 18, 2006	May 11, 2009
Installed Capacity per annum	25,000 TEUs	65,000 TEUs	220,000 TEUs
Bonded warehouse	-	27,641 sq. feet	33,141 sq. feet
Reefer Points	16	24	52
Temperature controlled chambers	-	500 m	-
Hazardous cargo	-	Authorized to handle, store and deliver hazardous cargo up to the total installed capacity per annum	Authorized to handle, store and deliver hazardous cargo, up to the total installed capacity per annum
Connectivity	Road	Road	Rail and road

Source: Company, Angel Research

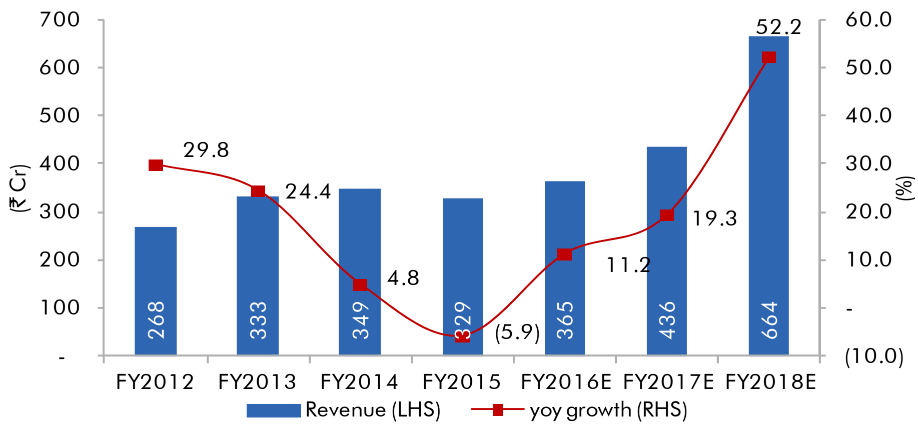
Financial outlook

Top-line likely to clock a CAGR of ~26% over FY2015-18E

Going forward, we expect NCL to register healthy top-line CAGR of ~26% over FY2015-18E

NCL has reported a net revenue CAGR of ~7% over FY2012-15 and ~19% over FY2010-15 on the back of improving capacity utilization which has improved from 68.0% in FY2012 to 86.7% in FY2015. Going forward, we expect the capacity enhancement at Somathane CFS and ICD to add meaningfully to the top-line from FY2017E onwards. Additionally, the logistics park which is being setup near the ICD in Vapi is expected to contribute to the overall top-line. On the back of above mentioned reasons, we expect NCL to post revenue CAGR of 26.4% over FY2015-2018 to ₹664cr.

Exhibit 13: Projected Net Revenue growth trend



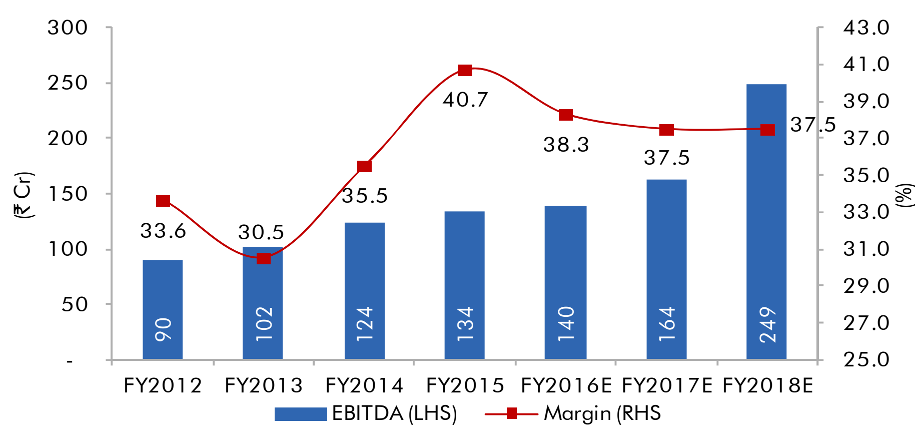
Source: Company, Angel Research

EBITDA to witness a CAGR of 23% over FY2015-18E

We expect the EBITDA to post a 23.0% CAGR over FY2015-18E mainly on account of increase in capacity at its existing CFS and with the new ICD getting operational in FY2017.

We expect the EBITDA to post a 23.0% CAGR over FY2015-18E, mainly on account of increase in capacity at its existing CFS and with the new ICD getting operational in FY2017. We are slightly conservative on the margin front; we have built-in an EBITDA margin estimate of 37.5% for FY2018E on account of competition at JNPT.

Exhibit 14: Projected EBIDTA and margin trend



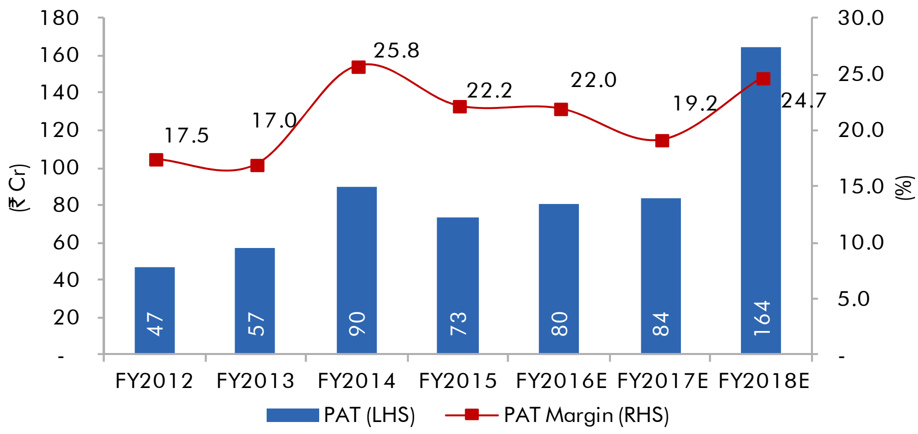
Source: Company, Angel Research

Company to report healthy growth

We expect ~31% CAGR in Net Profit over FY2015-18E

With majority of the capex funded via IPO proceeds and internal accruals, we do not foresee any further increase in debt and therefore interest costs. Further, the company is expected to save on the capex planned at the Somathane facility as the company was able to agree on better terms for the purchase of equipment. We expect the company to utilize its operating cash flows as well as capex savings to reduce its debt and lower the interest cost. With lower interest out go and improvement in volumes, we expect the company to post 30.9% CAGR in net profit over FY2015-18E to ₹164cr.

Exhibit 15: Projected Net Profit growth trend

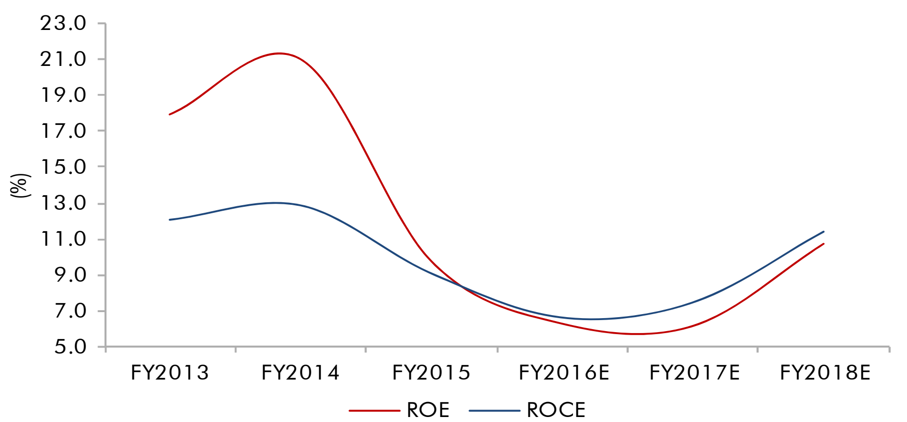


Source: Company, Angel Research

Return ratios expected to bounce back

As the company has planned a capex of ~₹810cr which will be fully operational post 1HFY2017E, the return ratios are bound to dip initially and recover post FY2016E as the utilization level picks up. We estimate that NCL's ROCE will decline to 6.7% in FY2016E and improve to 11.4% in FY2018E. With improving profitability, we expect the ROE to improve to 10.7% in FY2018E after regressing to 6.3% in FY2016E.

Exhibit 16: Improving ROE & ROCE



Source: Company, Angel Research

Consolidated Profit & Loss Statement

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E	FY18E
Total operating income	**333**	**349**	**329**	**365**	**436**	**664**
% chg	*24.4*	*4.8*	*(5.9)*	*11.2*	*19.3*	*52.2*
Total Expenditure	**232**	**225**	**195**	**225**	**273**	**415**
Operating Expenses	92	117	138	157	188	289
Purchases of Traded Goods	105	60	-	-	-	-
Personnel Expenses	17	19	22	26	34	53
Others Expenses	18	29	34	42	50	73
EBITDA	**102**	**124**	**134**	**140**	**164**	**249**
% chg	*12.9*	*21.9*	*7.9*	*4.5*	*16.8*	*52.2*
(% of Net Sales)	*30.5*	*35.5*	*40.7*	*38.3*	*37.5*	*37.5*
Depreciation& Amortisation	10	13	15	22	28	30
EBIT	**92**	**111**	**119**	**118**	**135**	**219**
% chg	*11.5*	*21.3*	*6.9*	*(0.3)*	*14.4*	*61.7*
(% of Net Sales)	*27.5*	*31.8*	*36.1*	*32.4*	*31.0*	*33.0*
Interest & other Charges	32	33	26	41	47	42
Other Income	5	4	2	10	3	3
(% of PBT)	*7.3*	*4.7*	*2.3*	*11.4*	*3.3*	*1.7*
Share in profit of Associates	-	-	-	-	-	-
Recurring PBT	**64**	**82**	**94**	**87**	**92**	**180**
% chg	*21.3*	*28.4*	*15.4*	*(7.5)*	*4.8*	*96.9*
Prior Period & Extraord. Exp./(Inc.)	-	-	-	-	-	-
PBT (reported)	**64**	**82**	**94**	**87**	**92**	**180**
Tax	7	9	7	7	8	16
(% of PBT)	*11.1*	*10.8*	*7.4*	*8.0*	*8.5*	*9.0*
PAT (reported)	**57**	**73**	**87**	**80**	**84**	**164**
Extraordinary Items	0	17	(14)	-	-	-
ADJ. PAT	**57**	**90**	**73**	**80**	**84**	**164**
% chg		*58.7*	*(18.7)*	*9.9*	*4.3*	*95.8*
(% of Net Sales)	*17.0*	*25.8*	*22.2*	*22.0*	*19.2*	*24.7*
Basic EPS (₹)	**4.0**	**6.3**	**5.1**	**5.6**	**5.9**	**11.5**
Fully Diluted EPS (₹)	**4.0**	**6.3**	**5.1**	**5.6**	**5.9**	**11.5**
% chg	*20.8*	*58.7*	*(18.7)*	*9.9*	*4.3*	*95.8*

Consolidated Balance Sheet

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E	FY18E
SOURCES OF FUNDS						
Equity Share Capital	17	21	112	145	145	145
Reserves& Surplus	299	407	638	1,139	1,222	1,387
Shareholders' Funds	**316**	**428**	**750**	**1,283**	**1,367**	**1,531**
Minority Interest	-	-	-	-	-	-
Total Loans	444	437	555	495	440	390
Deferred Tax Liability	21	28	33	33	33	33
Total Liabilities	**781**	**893**	**1,338**	**1,812**	**1,840**	**1,954**
APPLICATION OF FUNDS						
Gross Block	651	699	1,133	1,409	1,556	1,606
Less: Acc. Depreciation	30	43	59	81	109	139
Net Block	**620**	**656**	**1,073**	**1,328**	**1,447**	**1,467**
Capital Work-in-Progress	0	44	27	27	27	27
Investments	**20**	**20**	**5**	**5**	**5**	**5**
Current Assets	156	198	253	473	385	497
Inventories	-	-	2	2	2	4
Sundry Debtors	63	76	77	87	104	158
Cash	4	1	1	191	61	56
Loans & Advances	42	45	48	55	65	100
Other Assets	47	76	126	139	153	179
Current liabilities	16	25	22	23	26	43
Net Current Assets	**140**	**172**	**231**	**450**	**360**	**454**
Deferred Tax Asset	**0**	**1**	**1**	**1**	**1**	**1**
Mis. Exp. not written off	-	-	-	-	-	-
Total Assets	**781**	**893**	**1,338**	**1,812**	**1,840**	**1,954**

Consolidated Cashflow Statement

Y/E March (₹ cr)	FY13	FY14	FY15	FY16E	FY17E	FY18E
Profit before tax	64	99	80	87	92	180
Depreciation	10	13	15	22	28	30
Change in Working Capital	(19)	(29)	7	(29)	(39)	(99)
Interest / Dividend (Net)	32	33	26	41	47	42
Direct taxes paid	(15)	(16)	(22)	(7)	(8)	(16)
Others	0	(17)	18	-	-	-
Cash Flow from Operations	**73**	**82**	**123**	**114**	**120**	**136**
(Inc.)/ Dec. in Fixed Assets	(89)	(93)	(209)	(276)	(147)	(50)
(Inc.)/ Dec. in Investments	(20)	-	15	-	-	-
Cash Flow from Investing	**(109)**	**(93)**	**(194)**	**(276)**	**(147)**	**(50)**
Issue of Equity	43	35	-	453	-	-
Inc./(Dec.) in loans	27	10	97	(60)	(55)	(50)
Dividend Paid (Incl. Tax)	-	-	-	-	-	-
Interest / Dividend (Net)	11	1	(27)	412	(47)	(42)
Cash Flow from Financing	**38**	**10**	**71**	**352**	**(102)**	**(92)**
Inc./(Dec.) in Cash	1	(1)	0	189	(129)	(5)
Opening Cash balances	**0**	**2**	**1**	**1**	**191**	**61**
Closing Cash balances	**2**	**1**	**1**	**191**	**61**	**56**

Key Ratios

Y/E March	FY13	FY14	FY15	FY16E	FY17E	FY18E
Valuation Ratio (x)						
P/E (on FDEPS)	52.2	32.9	40.5	36.8	35.3	18.0
P/CEPS	44.3	34.4	28.9	29.0	26.4	15.3
P/BV	9.4	6.9	3.9	2.3	2.2	1.9
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	10.1	9.7	10.7	8.9	7.6	5.0
EV/EBITDA	33.2	27.2	26.2	23.3	20.4	13.2
EV / Total Assets	4.2	3.7	2.6	1.8	1.8	1.6
Per Share Data (₹)						
EPS (Basic)	4.0	6.3	5.1	5.6	5.9	11.5
EPS (fully diluted)	4.0	6.3	5.1	5.6	5.9	11.5
Cash EPS	4.7	6.0	7.2	7.2	7.9	13.6
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Book Value	22.2	30.0	52.6	90.0	95.9	107.4
Returns (%)						
ROCE	12.0	12.8	9.1	6.7	7.5	11.4
Angel ROIC (Pre-tax)	12.5	13.2	9.1	7.5	7.8	11.8
ROE	17.9	21.0	9.7	6.3	6.1	10.7
Turnover ratios (x)						
Asset Turnover (Gross Block)	0.5	0.5	0.3	0.3	0.3	0.4
Inventory / Sales (days)	-	-	2	2	2	2
Receivables (days)	69	80	86	87	87	87
Payables (days)	5	7	7	5	4	4
Wc cycle (ex-cash) (days)	64	72	81	84	85	85

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Disclosure of Interest Statement	**Navkar Corporation**
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

Ratings (Based on expected returns over 12 months investment period):	*Buy (> 15%)*	*Accumulate (5% to 15%)* *Reduce (-5% to -15%)*	*Neutral (-5 to 5%)* *Sell (< -15)*