

CMP: INR 1,075

Rating: BUY

Target Price: INR 2,384

Stock Info

BSE	526807
NSE	SEAMECLTD
Bloomberg	SEAM:IN
Reuters	SEAM.NS
Sector	Shipping
Face Value (INR)	10
Equity Capital (INR mn)	254
Mkt Cap (INR mn)	27,337
52w H/L (INR)	1,240/586
Avg Yearly Volume (in 000')	78.9

Shareholding Pattern %

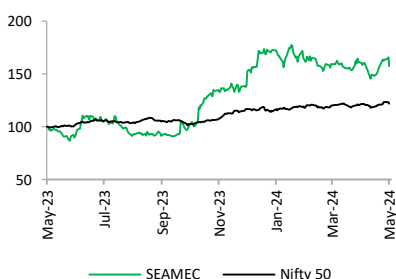
(As on Mar, 2024)

Promoters	72.05
DII	5.38
FII	3.15
Public & Others	19.39

Stock Performance (%) 3m 6m 12m

SEAMEC	-2.5	18.2	57.4
NIFTY	3.3	13.0	22.1

SEAMEC vs NIFTY



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SEAMEC Ltd reported strong numbers, Q4FY24 revenue stood at INR 2,364mn (+87.8% YoY/+10.8% QoQ); above our estimates of INR 2,124mn due to additional deployment of vessels. Gross Profit stood at INR 1,354mn (+144% YoY/++9.5% QoQ), above our estimates of INR 1,158mn. Gross margins improved by 1319 bps YoY (-67 bps QoQ) to 57.3% vs 44.1% in Q4FY23. The margin improvement is mainly because of the raw material cost decrease in terms of sales. The raw material cost in terms of sales stood at 42.1% vs 55.9% in Q3FY23. EBITDA stood at INR 873mn (+225% YoY/-3.7% QoQ); above our estimates of INR 796mn. EBITDA margin improved by 1559 bps YoY (-556 bps QoQ) to 36.9% vs 21.3% in Q4FY23 due to vessel utilization and improved charter hire. PAT stood at INR 527mn vs -INR 46mn in Q4FY23; above our estimates of INR 487mn. PAT margin improved by 2600 bps YoY (-414 bps QoQ) to 22.3% vs -3.7% in Q4FY23.

Key Highlights

business visibility backed by long-term contracts: SEAMEC owns and operates 5 Diving Support Vessels (DSV) for facilitating complex subsea operations. SEAMEC has long-term contracts of 3 to 5 years with clients for DSV which shows business visibility. Revenue growth is expected around 15%-20% CAGR going forward. The major Oil & Gas discovery happened in East Coast India. The more discoveries give an opportunity for SEAMEC.

OSV would provide additional business visibility: The company has acquired the Offshore Support Vessel "Seamec Diamond" for \$7mn and the takeover was completed on 2nd Jan 2024. The vessel is expected to be deployed with ONGC from Q1FY25E onwards. The deployment rate is \$8,750/day and a contract period of 3 years. The company has entered into an agreement to purchase the Offshore Support Vessel "Seamec Pearl" for \$7mn. The vessel delivery is expected on or before 22nd Jun 2024. The vessel deployment is expected from Q2FY25E onwards for a period of 3 years at a rate of \$8,750/day. Seamec International FZE has entered into an MoA for the purchase of NPP Nusantara. The MoA is effective from 26th Apr 2024. The vessel delivery is expected in Mid of sep-25. NPP Nusantara is expected to bring additional annual revenue of INR 1bn going forward. OSV business is scalable and the company can able to increase the vessels based on industry requirements.

Consolidation of assets is likely to unlock the potential: The management endeavors to consolidate vessel assets under SEAMEC over the next few years. The contracts under the parent will come for renewal; currently, the parent vessel assets are expected do to revenue of more than INR 4bn with similar margin profiles. With the likely consolidation of assets, SEAMEC's financial position will further strengthen both in terms of revenue and profitability.

Margins are expected to be sustainable backed by effective deployment and cost rationalization: EBITDA margins stood at 36.9% in Q4FY24. EBITDA margins are expected to be 40%-45% on a sustainable annual basis going forward. The vessel deployment days are around 521 days in Q4FY24. The deployment days are expected to be around 1,750 days or above in FY25E which is expected to improve the revenue. The company is strategically managing the operating and maintenance expenses which helps to maintain the margins.

Outlook & Valuation: SEAMEC is the major organized player for offshore oil field services and Diving Support Services in India. The OSV's is expected to be deployed in 1-2 quarters and it's a scalable business. The vessel asset consolidation is expected to happen from HAL offshore to SEAMEC in the over next few years. The asset consolidation would bring additional revenue to SEAMEC and likely unlock the potential going forward. East Coast discoveries will provide additional opportunities for SEAMEC Ltd. The company has sold "SEAMEC NIDHI" which was not yielding profits and divestment will cut the costs and improvement is expected in FY25E. All the vessels are completely deployed, payments are in dollar terms, and continuous business visibility from ONGC and others. In the base case scenario, we are estimating revenue to grow at a CAGR of 22.4% over the period of FY24-26E backed by long-term contracts, asset consolidation and OSV's. We are estimating EBITDA & PAT margins are expected to be 40.2% & 22.2% by FY26E, backed by cost rationalization and an increase in freight and charter rates. We maintain our "BUY" rating with a Target Price of INR 2,384 based on 25x of FY26E EPS of INR 95.4, an upside of 121.8%.

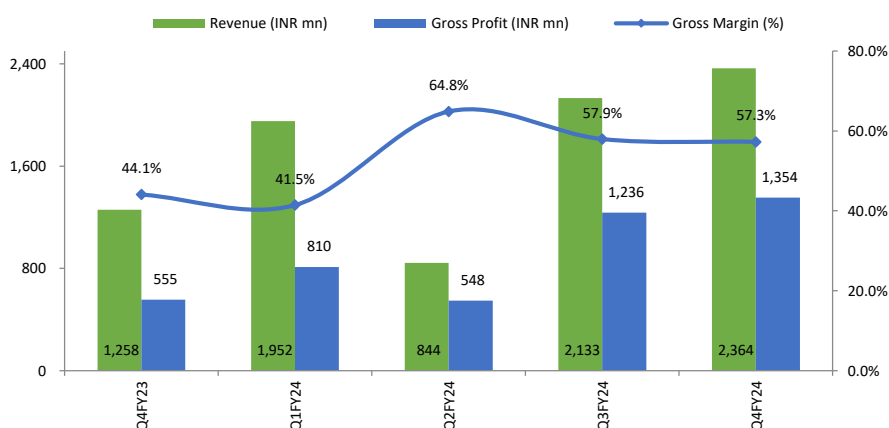
Q4FY24 Results

Income statement summary

Particular (INR mn)	Q4FY23	Q3FY24	Q4FY24	YoY (%)	QoQ (%)
Revenue	1,258	2,133	2,364	87.8%	10.8%
Net Raw Materials	704	897	1,010	43.5%	12.6%
Gross Profit	555	1,236	1,354	144.0%	9.5%
Gross Margin (%)	44.1%	57.9%	57.3%	+1319 bps	-67 bps
Employee Cost	199	238	271	35.9%	14.0%
Other Expenses	87	92	210	141.5%	128.1%
EBITDA	269	906	873	225.0%	-3.7%
EBITDA Margin (%)	21.3%	42.5%	36.9%	+1559 bps	-556 bps
Depreciation	314	339	353		
Interest expense	12	45	51		
Other income	(12.8)	57.9	31.2		
Share of profits associate & JV	-	-	-		
Profit before tax	(71)	581	501		
Taxes	(24)	16	(27)		
PAT	(46)	564	527	-1236.6%	-6.5%
PAT Margin (%)	-3.7%	26.4%	22.3%	+2600 bps	-414 bps
Other Comprehensive income	(7.4)	(2.5)	3.5		
Net profit	(54)	562	531	-1086.8%	-5.5%
Net profit Margin (%)	-4.3%	26.3%	22.5%	+2673 bps	-387 bps
EPS (INR)	(1.8)	22.2	20.7		

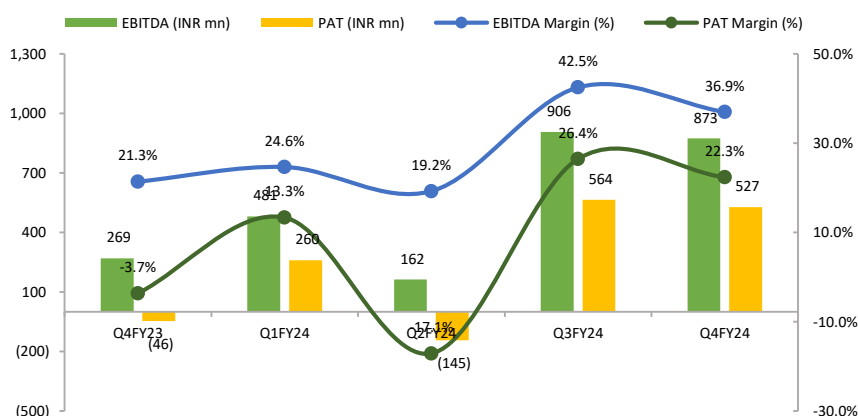
Source: Company Reports, Aриhant Capital Research

Exhibit 1: Gross margins improved by 1319 bps YoY (-67 bps QoQ) to 57.3% in Q4FY24 due to lower Operating expenses.



Source: Company Reports, Aриhant Capital Research

Exhibit 2: EBITDA margin improved by 1559 bps YoY (-556 bps QoQ) to 36.9% in Q4FY24 due to lower employee expenses, however other expenses remain elevated.



Source: Company Reports, Aриhant Capital Research

Q4FY24 Concall Highlights

Revenue

- Revenue is expected to grow 15%-20% CAGR going forward.

Margins

- EBITDA margins are expected to be 40%-45% on an annual basis.

OSV

- The company has acquired the Offshore Support Vessel "Seamec Diamond" for \$7mn and the takeover was completed on 2nd Jan 2024. The vessel is expected to be deployed with ONGC from Q1FY25E onwards. The deployment rate is \$8,750/day and a contract period of 3 years.
- The company has entered into an agreement to purchase the Offshore Support Vessel "Seamec Pearl" for \$7mn. The vessel delivery is expected on or before 22nd Jun 2024. The vessel deployment is expected from Q2FY25E onwards for a period of 3 years at a rate of \$8,750/day.

Divestment

- The company has sold "Seamec Nidhi" for a consideration of \$10.5mn. The deal was completed on 6th Apr 2024 and the vessel was delivered in Singapore. Seamec Nidhi was not yielding profits in FY24 and divestment will cut the losses and improvement expected in FY25E.

Capex

- The capex is expected to be 6-7bn capex over the next 3 years. The capex funding is mainly through internal accruals and some debt. The loan tenure is expected around 5-7 years.

Vessels

- Three vessels will operate in the non-monsoon season. The remaining 2 vessels will not be operated during the monsoon season. The company is expected to do better compared to last year.
- 3 vessels (including barge) are spot contract vessels and there is no major difference between spot contracts and non-monsoon contracts.

NPP Nusantara

- Seamec International FZE has entered into an MoA for the purchase of NPP Nusantara. The MoA is effective from 26th Apr 2024. The vessel delivery is expected in Mid of sep-25. NPP Nusantara is expected to bring additional annual revenue of INR 1bn going forward.

Asset Consolidation

- Asset consolidation is expected to be done in the renewal.

Deployment days

- The deployment days stood at 521 days vs 421 days in Q4FY23.

Working capital days

- The working capital cycle is around 80-90 days.

Loan

- The company has given a loan of INR 1.8bn to the UK Subsidiary. The company is in the process of opening a global office in London. The company can reach out North Sea market and overseas areas from the London office.

Other highlights

- On the East Coast, lots of discoveries are coming up and the company has an opportunity from ONGC.
- Around INR 90mn was impacted by Seamec's overseas subsidiary which impacted consolidated profitability. The company has charged intercompany interest.
- Gross debt stood at INR 2,340mn and Gross debt stood at INR 340mn.

Investment Rationale

Exhibit 3: The increase in realization and deployment days is expected to drive the revenue going forward. Out of 5 vessels, 3 vessels are used for long-term contracts (3-5 years), and 2 vessels are used for short-term contracts (less than 1 year). The realization is higher in short-term contracts.

Particular (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Old DSV	5	5	5	5	5	5	5
Barge	1	1	1	1	1	1	1
New DSV	0	0	0	-	-	1	2
Total	6	6	6	6	6	7	8
Number of Vessels deployed	6	6	6	6	6	7	8
Total Number of days deployed	1,737	921	1,257	1,289	1,607	1,755	2,105
Deployment Rate (\$/day)	28,805	33,188	30,725	38,599	49,912	51,477	54,308
USD/INR	73	75	76	80	83	84	85
Revenue from Direct Deployment	3,653	2,292	2,935	3,990	6,656	7,589	9,717
OSV Vessel Revenue	-	-	-	-	-	508	508
Standalone revenue	3,653	2,292	2,935	3,990	6,656	8,097	10,225
Subsidiary revenue	188	276	561	382	637	686	692
Revenue from Operations	3,841	2,568	3,496	4,372	7,293	8,783	10,917

Revenue from Direct Deployment (INR mn) - FY25E

		Total Number of days deployed										
		1,500	1,550	1,600	1,650	1,700	1,750	1,800	1,850	1,900	1,950	2,000
	7,589											
Deployment Rate (\$/day)	50,300	6,338	6,549	6,760	6,972	7,183	7,394	7,605	7,817	8,028	8,239	8,450
	50,600	6,376	6,588	6,801	7,013	7,226	7,438	7,651	7,863	8,076	8,288	8,501
	50,900	6,413	6,627	6,841	7,055	7,269	7,482	7,696	7,910	8,124	8,337	8,551
	51,200	6,451	6,666	6,881	7,096	7,311	7,526	7,741	7,956	8,172	8,387	8,602
	51,500	6,489	6,705	6,922	7,138	7,354	7,571	7,787	8,003	8,219	8,436	8,652
	51,800	6,527	6,744	6,962	7,179	7,397	7,615	7,832	8,050	8,267	8,485	8,702
	52,100	6,565	6,783	7,002	7,221	7,440	7,659	7,878	8,096	8,315	8,534	8,753
	52,400	6,602	6,822	7,043	7,263	7,483	7,703	7,923	8,143	8,363	8,583	8,803
	52,700	6,640	6,862	7,083	7,304	7,526	7,747	7,968	8,190	8,411	8,632	8,854
	53,000	6,678	6,901	7,123	7,346	7,568	7,791	8,014	8,236	8,459	8,681	8,904
	53,300	6,716	6,940	7,164	7,387	7,611	7,835	8,059	8,283	8,507	8,731	8,954

Revenue from Direct Deployment (INR mn) - FY26E

		Total Number of days deployed										
		1,900	1,950	2,000	2,050	2,100	2,150	2,200	2,250	2,300	2,350	2,400
	9,717											
Deployment Rate (\$/day)	53,200	8,592	8,818	9,044	9,270	9,496	9,722	9,948	10,175	10,401	10,627	10,853
	53,500	8,640	8,868	9,095	9,322	9,550	9,777	10,005	10,232	10,459	10,687	10,914
	53,800	8,689	8,917	9,146	9,375	9,603	9,832	10,061	10,289	10,518	10,747	10,975
	54,100	8,737	8,967	9,197	9,427	9,657	9,887	10,117	10,347	10,577	10,806	11,036
	54,400	8,786	9,017	9,248	9,479	9,710	9,942	10,173	10,404	10,635	10,866	11,098
	54,700	8,834	9,067	9,299	9,531	9,764	9,996	10,229	10,461	10,694	10,926	11,159
	55,000	8,883	9,116	9,350	9,584	9,818	10,051	10,285	10,519	10,753	10,986	11,220
	55,300	8,931	9,166	9,401	9,636	9,871	10,106	10,341	10,576	10,811	11,046	11,281
	55,600	8,979	9,216	9,452	9,688	9,925	10,161	10,397	10,634	10,870	11,106	11,342
	55,900	9,028	9,265	9,503	9,741	9,978	10,216	10,453	10,691	10,928	11,166	11,404
	56,200	9,076	9,315	9,554	9,793	10,032	10,271	10,509	10,748	10,987	11,226	11,465

Source: Company reports, Arihant Capital Research

■ Bull Case
 ■ Base Case
 ■ Bear Case

Outlook & Valuation: SEAMEC is the major organized player for offshore oil field services and Diving Support Services in India. The OSV's is expected to be deployed in 1-2 quarters and it's a scalable business. The vessel asset consolidation is expected to happen from HAL offshore to SEAMEC in the over next few years. The asset consolidation would bring additional revenue to SEAMEC and likely unlock the potential going forward. East Coast discoveries will provide additional opportunities for SEAMEC Ltd. The company has sold "SEAMEC NIDHI" which was not yielding profits and divestment will cut the costs and improvement is expected in FY25E. All the vessels are completely deployed, payments are in dollar terms, and continuous business visibility from ONCG and others. In the base case scenario, we are estimating revenue to grow at a CAGR of 22.4% over the period of FY24-26E backed by long-term contracts, asset consolidation and OSV's. We are estimating EBITDA & PAT margins are expected to be 40.2% & 22.2% by FY26E, backed by cost rationalization and an increase in freight and charter rates. We maintain our "BUY" rating with a Target Price of INR 2,384 based on 25x of FY26E EPS of INR 95.4, an upside of 121.8%.

Exhibit 4: Bull Case Scenario

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E
Number of Vessels deployed	6	6	6	6	7	8
Total Number of days deployed	921	1,257	1,289	1,607	1,800	2,200
Deployment Rate (\$/day)	33,188	30,725	38,599	49,912	53,000	55,300
USD/INR	75	76	80	83	84	85
Revenue from Direct Deployment	2,292	2,935	3,990	6,656	8,014	10,341
OSV Vessel Revenue	-	-	-	-	508	508
Standalone revenue	2,292	2,935	3,990	6,656	8,522	10,849
Subsidiary revenue	276	561	382	637	686	692
Revenue from Operations	2,568	3,496	4,372	7,293	9,208	11,541
EBITDA	667	1,291	1,264	2,422	3,569	4,643
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.2%	38.8%	40.2%
PAT	988	837	336	1,207	2,042	2,696
PAT Margin (%)	38.5%	23.9%	7.7%	16.5%	22.2%	23.4%
EPS (INR)	41.8	34.2	16.7	49.0	80.3	106.0

Valuation - P/E (FY26E)

EPS (INR) 106.0

P/E (x) 28.0

Target Price (INR) 2,968

CMP (INR) 1,075

Upside/Downside (%) 176.1%

Source: Company, Arianth Capital Research

Exhibit 5: Base Case Scenario

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E
Number of Vessels deployed	6	6	6	6	7	8
Total Number of days deployed	921	1,257	1,289	1,607	1,755	2,105
Deployment Rate (\$/day)	33,188	30,725	38,599	49,912	51,477	54,308
USD/INR	75	76	80	83	84	85
Revenue from Direct Deployment	2,292	2,935	3,990	6,656	7,589	9,717
OSV Vessel Revenue	-	-	-	-	508	508
Standalone revenue	2,292	2,935	3,990	6,656	8,097	10,225
Subsidiary revenue	276	561	382	637	686	692
Revenue from Operations	2,568	3,496	4,372	7,293	8,783	10,917
EBITDA	667	1,291	1,264	2,422	3,408	4,392
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.2%	38.8%	40.2%
PAT	988	837	336	1,207	1,867	2,425
PAT Margin (%)	38.5%	23.9%	7.7%	16.5%	21.3%	22.2%
EPS (INR)	41.8	34.2	16.7	49.0	73.4	95.4

Valuation - P/E (FY26E)

EPS (INR) 95.4

P/E (x) 25.0

Target Price (INR) 2,384

CMP (INR) 1,075

Upside/Downside (%) 121.8%

Source: Company, Arianth Capital Research

Outlook & Valuation

Exhibit 6: Bear Case Scenario

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E
Number of Vessels deployed	6	6	6	6	7	8
Total Number of days deployed	921	1,257	1,289	1,607	1,700	2,050
Deployment Rate (\$/day)	33,188	30,725	38,599	49,912	50,900	53,800
USD/INR	75	76	80	83	84	85
Revenue from Direct Deployment	2,292	2,935	3,990	6,656	7,269	9,375
OSV Vessel Revenue	-	-	-	-	508	508
Standalone revenue	2,292	2,935	3,990	6,656	7,777	9,883
Subsidiary revenue	276	561	382	637	686	692
Revenue from Operations	2,568	3,496	4,372	7,293	8,463	10,575
EBITDA	667	1,291	1,264	2,422	3,282	4,254
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.2%	38.8%	40.2%
PAT	988	837	336	1,207	1,730	2,276
PAT Margin (%)	38.5%	23.9%	7.7%	16.5%	20.4%	21.5%
EPS (INR)	41.8	34.2	16.7	49.0	68.0	89.5

Valuation - P/E (FY26E)

EPS (INR) 89.5

P/E (x) 22.0

Target Price (INR) 1,969

CMP (INR) 1,075

Upside/Downside (%) 83.2%

Source: Company, Aриhant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E
Revenue	2,568	3,496	4,372	7,293	8,783	10,917
Operating expenses	1,284	1,334	2,046	3,346	3,917	4,815
Gross Profit	1,284	2,162	2,327	3,947	4,866	6,103
Gross Margin (%)	50.0%	61.8%	53.2%	54.1%	55.4%	55.9%
Employee Cost	532	601	761	919	1,054	1,277
Other Expenses	85	270	302	606	404	434
EBITDA	667	1,291	1,264	2,422	3,408	4,392
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.2%	38.8%	40.2%
Depreciation	(566)	(839)	(1,120)	(1,348)	(1,643)	(2,118)
Interest expense	(48)	(64)	(68)	(163)	(216)	(227)
Other income	390	460	200	289	343	409
Exceptional Items	619	-	-	-	-	-
Profit before tax	1,062	848	276	1,200	1,891	2,457
Taxes	(75)	(11)	60	6	(25)	(32)
PAT	988	837	336	1,207	1,867	2,425
PAT Margin (%)	38.5%	23.9%	7.7%	16.5%	21.3%	22.2%
Other Comprehensive income	75	32	89	39	-	-
Net profit	1,063	869	425	1,246	1,867	2,425
EPS (INR)	41.8	34.2	16.7	49.0	73.4	95.4

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity capital	254	254	254	254	254	254
Reserves	6,367	7,230	7,649	8,860	10,727	13,152
Net worth	6,621	7,485	7,903	9,114	10,981	13,406
Minority Interest	23	27	12	10	10	10
Provisions	13	16	21	26	24	30
Debt	1,443	1,832	1,843	3,510	3,560	4,000
Other non-current liabilities	51	61	2	-	132	164
Total Liabilities	8,152	9,421	9,781	12,660	14,706	17,609
Fixed assets	2,908	4,106	5,848	7,018	8,380	10,778
Capital Work In Progress	0	19	-	6	16	20
Other Intangible assets	1	1	2	2	2	2
Investments	2,996	2,713	1,366	1,259	2,284	2,729
Other non current assets	50	68	289	363	202	251
Net working capital	615	474	661	2,232	1,074	1,194
Inventories	202	276	412	543	590	712
Sundry debtors	788	395	1,059	2,277	1,636	1,854
Loans & Advances	-	-	-	-	-	-
Other current assets	62	87	51	827	96	120
Sundry creditors	(353)	(243)	(601)	(1,125)	(810)	(1,001)
Other current liabilities & Prov	(85)	(42)	(259)	(290)	(439)	(491)
Cash	277	238	1,546	1,361	2,330	2,260
Other Financial Assets	1,305	1,803	70	263	263	218
Total Assets	8,152	9,421	9,781	12,660	14,706	17,609

Source: Company Reports, Arihant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24	FY25E	FY26E
Tax burden (x)	0.9	1.0	1.2	1.0	1.0	1.0
Interest burden (x)	10.5	1.9	1.9	1.1	1.1	1.1
EBIT margin (x)	0.0	0.1	0.0	0.1	0.2	0.2
Asset turnover (x)	0.6	0.7	0.6	0.7	0.7	0.7
Financial leverage (x)	0.7	0.7	0.9	1.3	1.3	1.2
RoE (%)	16.2%	11.9%	4.4%	14.2%	18.6%	19.9%

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY26E
Profit before tax	1,062	848	276	1,200	1,891	2,457
Depreciation	566	839	1,120	1,348	1,643	2,118
Tax paid	(75)	(11)	60	6	(25)	(32)
Working capital Δ	(396)	141	(188)	(1,571)	1,158	(120)
Operating cashflow	1,158	1,817	1,268	828	4,668	4,422
Capital expenditure	(982)	(2,056)	(2,842)	(2,523)	(3,016)	(4,520)
Free cash flow	176	(239)	(1,574)	(1,696)	1,653	(98)
Equity raised	45	31	67	28	-	-
Investments	(645)	283	1,346	107	(1,024)	(446)
Others	137	(515)	1,512	(268)	161	(4)
Debt financing/disposal	254	389	11	1,666	50	440
Other items	28	12	(55)	4	130	38
Net Δ in cash	(4)	(39)	1,308	(185)	969	(70)
Opening Cash Flow	281	277	238	1,546	1,361	2,330
Closing Cash Flow	277	238	1,546	1,361	2,330	2,260

Source: Company Reports, Aриhant Capital Research

Ratio analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24	FY25E	FY26E
Growth matrix (%)						
Revenue growth	-33.1%	36.1%	25.1%	66.8%	20.4%	24.3%
Op profit growth	-60.4%	93.5%	-2.1%	91.6%	40.7%	28.9%
Profitability ratios (%)						
OPM	26.0%	36.9%	28.9%	33.2%	38.8%	40.2%
Net profit margin	38.5%	23.9%	7.7%	16.5%	21.3%	22.2%
RoCE	6.1%	10.3%	4.4%	12.2%	15.3%	16.6%
RoNW	16.2%	11.9%	4.4%	14.2%	18.6%	19.9%
RoA	12.1%	8.9%	3.4%	9.5%	12.7%	13.8%
Per share ratios (INR)						
EPS	41.8	34.2	16.7	49.0	73.4	95.4
Dividend per share	-	-	-	1.0	-	-
Cash EPS	61.1	65.9	57.3	100.4	138.0	178.6
Book value per share	260.4	294.4	310.8	358.4	431.8	527.2
Valuation ratios (x)						
P/E	25.7	31.5	64.4	21.9	14.6	11.3
P/CEPS	17.6	16.3	18.8	10.7	7.8	6.0
P/B	4.1	3.7	3.5	3.0	2.5	2.0
EV/EBITDA	38.2	20.3	20.8	11.7	7.7	6.0
Payout (%)						
Dividend payout	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%
Tax payout	7.0%	1.3%	-21.7%	-0.5%	1.3%	1.3%
Liquidity ratios						
Debtor days	167	62	61	83	81	58
Inventory days	54	65	61	52	53	49
Creditor days	178	49	50	65	66	51
WC Days	42	78	73	71	68	57
Leverage ratios (x)						
Interest coverage	2.1	7.0	2.1	6.6	8.2	10.0
Net debt / equity	0.2	0.2	0.0	0.2	0.1	0.1
Net debt / op. profit	1.7	1.2	0.2	0.9	0.4	0.4

Source: Company Reports, Aриhant Capital Research

Story in Charts

Exhibit 7: Revenue growth is backed by realization, USD/INR depreciation and effective deployment of vessels.

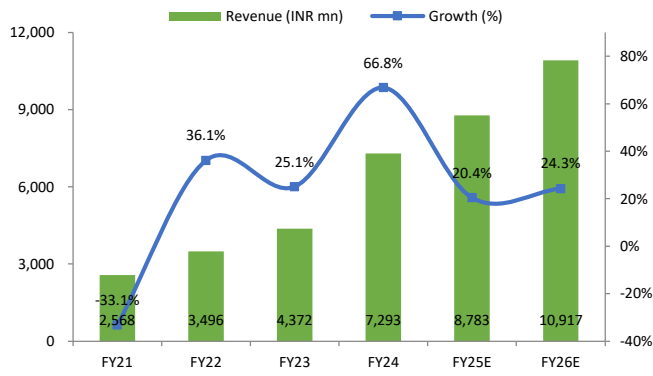


Exhibit 8: Gross margins are expected to improve going forward.

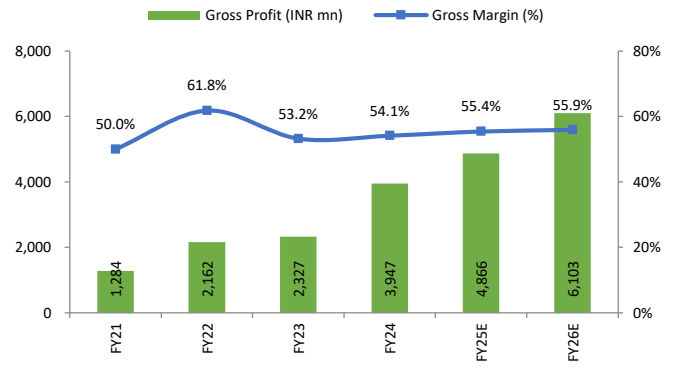


Exhibit 9: Growth in EBITDA & PAT levels

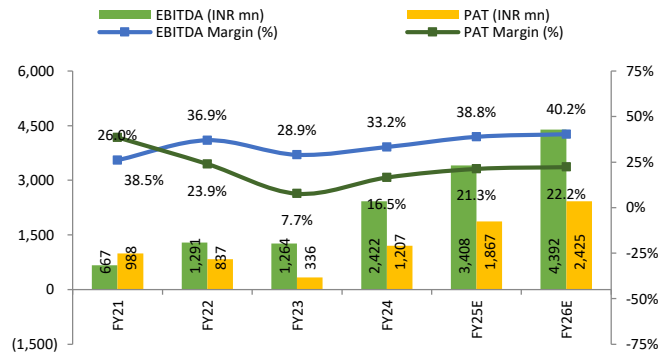


Exhibit 10: Return ratios to be improve

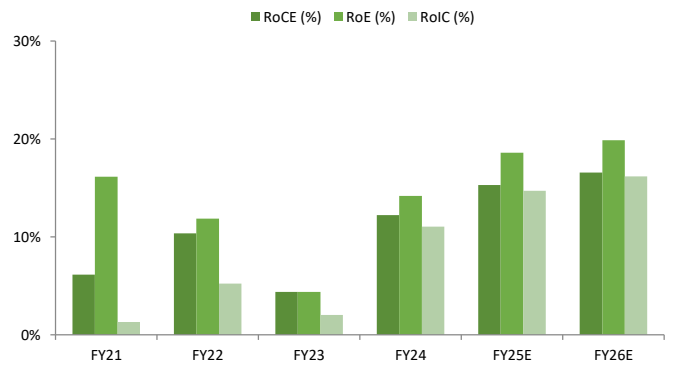


Exhibit 11: Working capital days to be improve.

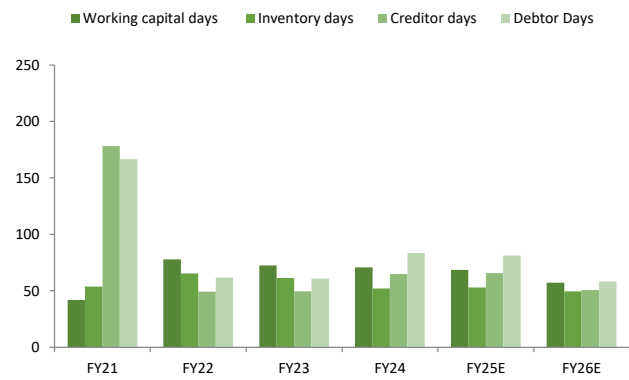
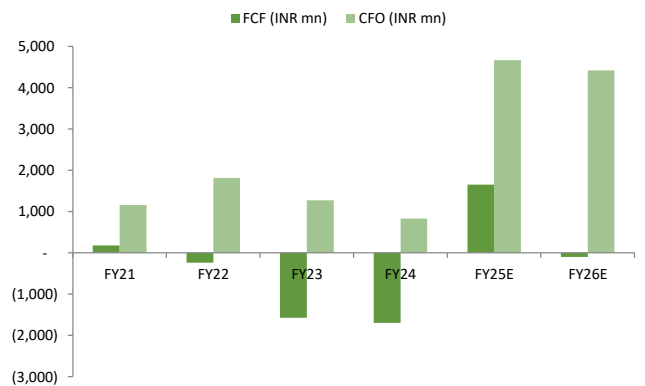


Exhibit 12: Cash flows to be improve.



Source: Company Reports, Arianth Capital Research

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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