

CMP: INR 923

Rating: BUY

Target Price: INR 2,549

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)	23,472
52w H/L (INR)	1,670/780
Avg Yearly Volume (in 000')	57.3

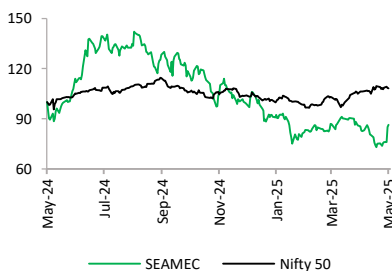
Shareholding Pattern %

(As on Mar, 2025)

Promoters	72.31
DII	6.63
FII	3.05
Public & Others	18.01

Stock Performance (%)	3m	6m	12m
SEAMEC	3.5	-17.9	-13.7
NIFTY	11.9	3.5	8.1

SEAMEC vs NIFTY



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SEAMEC reported numbers, Q4FY25 revenue stood at INR 1,996mn (-15.6% YoY/+33.7% QoQ); below our estimates of INR 2,411mn. Gross Profit stood at INR 1,311mn (-3.1% YoY/+67.1% QoQ), above our estimates of INR 1,283mn. Gross margins improved by 842 bps YoY (+1313 bps QoQ) to 65.7% vs 57.3% in Q4FY24. The margin improvement is mainly because of the operating expenses decrease in terms of sales. The operating expenses in terms of sales stood at 34.3% vs 42.7% in Q4FY24. EBITDA stood at INR 812mn (-7.0% YoY/+83.3% QoQ); below our estimates of INR 839mn. EBITDA margin improved by 372 bps YoY (+1101 bps QoQ) to 40.7% vs 36.9% in Q4FY24. PAT stood at INR 410mn vs INR 527mn in Q4FY24; below our estimates of INR 457mn. PAT margin stood at 20.5% vs 22.3% in Q4FY24.

Key Highlights

Nusantara and Anant are expected to bring additional revenue: The acquisition of the Nusantara vessel for \$23 mn, financed through a mix of debt and internal resources. This vessel, built in 2010, will join the fleet with a firm contract, enhancing capacity. The company is also working to integrate the Anant vessel from its parent company, HAL Offshore, into its operations, though the process is ongoing. The Anant vessel was newly built and constructed in 2023. The vessel will be deployed with ONGC at USD 45,000/day. The funding mix is through equity issuance to promoters, debt, and internal accruals. Nusantara and Anant vessels are expected to bring additional revenue of INR 2.7bn per annum going forward. These acquisitions align with the company's strategy to replace older vessels and expand its fleet.

Subsidiaries and JV is expected to improve profitability: The UAE subsidiary, SEAMEC International, is profitable, while the UK business remains in development, incurring losses primarily from depreciation and interest costs. The UK operations are expected to turn cash flow positive by FY27E. The joint venture with Arete Shipping DMCC, named Searete India IFSC, aims to lease and trade vessels, potentially adding to future revenue streams. The company aims to bridge the gap between standalone and consolidated profitability over the next two years.

Revenue growth led by vessel deployments: All the vessels are deployed, except the Barge. The recent deployment of the Swordfish vessel to Aramco at a rate of \$78,000 per day for a 730-day contract is expected to bolster future revenues. The company's focus remains on high-value, long-term contracts, with most vessels now fully deployed. The company is also exploring opportunities in the KG Basin, where oil production is ramping up.

Outlook & Valuation: Nusantara and Anant vessels acquisition and integration are expected to be completed by Q2FY26E and are expected to bring additional revenue of INR 2.7bn per annum going forward. The UAE business becomes profitable, UK business incurring losses due to depreciation and interest costs, and is expected to be cash flow positive by FY27E. The Searete India IFSC, JV lease and trade vessels, potentially adding to future revenue streams. The company is focusing on key growth regions like the Middle East and the Gulf, where realizations are higher. The contracts are dollar-denominated, and currency appreciation will benefit the long term. East Coast discoveries will provide additional opportunities for SEAMEC Ltd. The asset consolidation would bring additional revenue to SEAMEC and likely unlock the potential going forward. In the base case scenario, we are estimating revenue to grow at a CAGR of 31.3% over the period of FY25-27E backed by long-term contracts, asset consolidation, and OSVs. We are estimating that EBITDA & PAT margins are expected to be 38.3% & 23.1% by FY27E, backed by cost rationalization and an increase in freight and charter rates. We maintain our "BUY" rating with a Target Price of INR 2,549 based on 25x of FY27E EPS of INR 101.9, an upside of 176.1%.

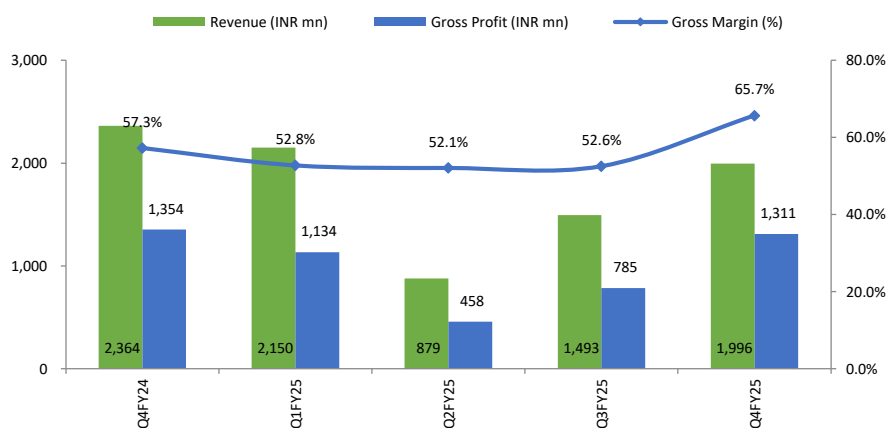
Q4FY25 Results

Income statement summary

Particular (INR mn)	Q4FY24	Q3FY25	Q4FY25	YoY (%)	QoQ (%)
Revenue	2,364	1,493	1,996	-15.6%	33.7%
Net Raw Materials	1,010	708	685	-32.2%	-3.3%
Gross Profit	1,354	785	1,311	-3.1%	67.1%
Gross Margin (%)	57.3%	52.6%	65.7%	+842 bps	+1313 bps
Employee Cost	271	243	273	0.8%	12.6%
Other Expenses	210	100	227	7.9%	127.3%
EBITDA	873	443	812	-7.0%	83.3%
EBITDA Margin (%)	36.9%	29.6%	40.7%	+372 bps	+1101 bps
Depreciation	353	335	335		
Interest expense	51	34	41		
Other income	31.2	(100)	101		
Exceptional Items	-	0	1		
Profit before tax	501	(26)	537		
Taxes	(27)	6	127		
PAT	527	(32)	410	-22.2%	-1366.0%
PAT Margin (%)	22.3%	-2.2%	20.5%	-176 bps	+2272 bps
Other Comprehensive income	3.5	23.2	12.0		
Net profit	531	(9)	422		
Net profit Margin (%)	22.5%	-0.6%	21.2%		
EPS (INR)	20.7	(1.3)	16.1		

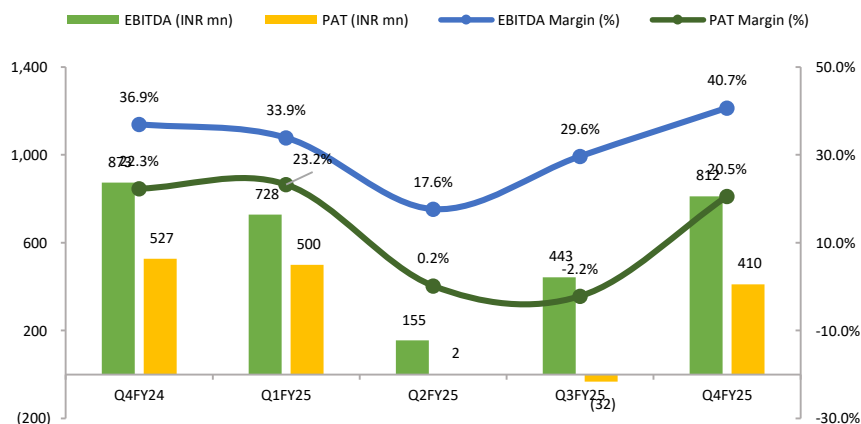
Source: Company Reports, Arianth Capital Research

Exhibit 1: Gross margins contracted by 842 bps YoY (+1313 bps QoQ) to 65.7% in Q4FY25 due to lower operating expenses.



Source: Company Reports, Arianth Capital Research

Exhibit 2: EBITDA margin improved by 372 bps YoY (+1101 bps QoQ) to 40.7% in Q4FY25; however employee costs and other expenses remain elevated in-terms of sales.



Source: Company Reports, Arianth Capital Research

Q4FY25 Concall Highlights**Revenue and Growth Drivers**

- The company's revenue is primarily from charter hires of specialized vessels supporting oil fields. Key clients include ONGC (west coast operations), Hardy Oil (east coast), and Aramco (Middle East).
- The recent deployment of the Swordfish vessel to Aramco at a rate of \$78,000 per day for a 730-day contract is expected to bolster future revenues.
- The company's focus remains on high-value, long-term contracts, with most vessels now fully deployed. The company is also exploring opportunities in the KG Basin, where oil production is ramping up.

Vessels

- All vessels except one (SEAMEC Barge) currently deployed.
- SEAMEC II and SEAMEC III are older vessels, with a lifespan of around 40 years, remain operational. SEAMEC II is on a long-term charter with ONGC, while SEAMEC III is deployed on the east coast with Hardy Oil. Despite higher maintenance costs, the company plans to continue operating them until they can be replaced with newer vessels.
- The SEAMEC Barge operates seasonally, typically from October to May, due to monsoon conditions. It recently completed a two-year contract and is currently off-hire until the next season. The company is optimistic about securing new contracts for the barge once the monsoon period ends.
- The Swordfish Vessel has secured a two-year charter with Saudi Aramco at a rate of \$78,000 per day, effective from 21st May 2025.

Nusantara and Anant

- The acquisition of the Nusantara vessel for \$23 mn, financed through a mix of debt and internal resources. This vessel, built in 2010, will join the fleet with a firm contract, enhancing capacity.
- The company is also working to integrate the Anant vessel from its parent company, HAL Offshore, into its operations, though the process is ongoing.
- These acquisitions align with the company's strategy to replace older vessels and expand its fleet.

Debt

- The company plans to minimize debt using cash reserves. No additional debt was taken in FY25, and repayments were prioritized.
- The focus remains on maintaining financial stability while funding growth initiatives.

Q4FY25 Concall Highlights**Operational Challenges and Utilization**

- The company faced operational disruptions due to the unscheduled breakdown of the vessel SEAMEC II in Q3FY25 and lower deployment of SEAMEC Swordfish. However, with Swordfish now operational and the entire fleet deployed (except during monsoons), utilization rates are high.
- Long-term contracts ensure steady revenue, with diving support vessels operating ~350 days annually and others ~210 days due to monsoon-related downtime.

Subsidiaries and JV

- The UAE subsidiary, SEAMEC International, is profitable, while the UK business remains in development, incurring losses primarily from depreciation and interest costs.
- The UK operations are expected to turn cash flow positive by FY27E.
- The joint venture with Arete Shipping DMCC, named Searete India IFSC, aims to lease and trade vessels, potentially adding to future revenue streams.

Industry and Oil price impact

- Global energy demand is projected to grow by 1.8–2% in FY26E.
- The company's specialized vessels are critical for oil field operations, insulating the company from oil price volatility.

Costs and Maintenance

- Older vessels like SEAMEC II and SEAMEC III require higher maintenance, but their continued operation is justified by charter revenues.
- The company plans to phase out older vessels over the next 3-5 years, replacing them with newer acquisitions like Nusantara and Swordfish.
- Dry-docking periods (60-70 days per vessel) are factored into operational planning.

Other highlights

- The focus will be on executing current contracts, integrating new vessels, and optimizing subsidiary performance.
- The company aims to bridge the gap between standalone and consolidated profitability over the next two years.

Investment Rationale

Exhibit 3: Nusantara and Anant vessels acquisition is expected to completed by Q2FY26E and expected to bring additional revenue of INR 2.7bn per annum going forward.

Particular (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Old DSV	5	5	5	5	5	5	5	5
Barge	1	1	1	1	1	1	1	1
New DSV	-	-	-	-	-	-	2	2
Total	6	6	6	6	6	6	8	8
Number of Vessels deployed	6	6	6	6	6	6	8	8
Total Number of days deployed	1,737	921	1,257	1,289	1,584	1,332	1,760	2,260
Deployment Rate (\$/day)	28,805	33,188	30,725	38,599	49,912	51,956	54,021	51,821
USD/INR	73	75	76	80	83	86	88	89
Revenue from Direct Deployment	3,653	2,292	2,935	3,990	6,562	5,984	8,319	10,365
OSV Vessel Revenue	-	-	-	-	-	189	352	527
Standalone revenue	3,653	2,292	2,935	3,990	6,562	6,173	8,671	10,891
Subsidiary revenue	188	276	561	382	637	345	350	350
Revenue from Operations	3,841	2,568	3,496	4,372	7,199	6,518	9,021	11,241

Revenue from Direct Deployment (INR mn) - FY26E

Revenue from Direct Deployment (with min) = 1126€		Total Number of days deployed											
	8,319	1,640	1,670	1,700	1,730	1,760	1,790	1,820	1,850	1,880	1,910	1,940	
Deployment Rate (\$/day)	53,000	7,606	7,745	7,884	8,023	8,162	8,301	8,440	8,579	8,719	8,858	8,997	
	53,300	7,649	7,788	7,928	8,068	8,208	8,348	8,488	8,628	8,768	8,908	9,048	
	53,600	7,692	7,832	7,973	8,114	8,254	8,395	8,536	8,677	8,817	8,958	9,099	
	53,900	7,735	7,876	8,018	8,159	8,301	8,442	8,584	8,725	8,867	9,008	9,150	
	54,200	7,778	7,920	8,062	8,205	8,347	8,489	8,631	8,774	8,916	9,058	9,200	
	54,500	7,821	7,964	8,107	8,250	8,393	8,536	8,679	8,822	8,965	9,108	9,251	
	54,800	7,864	8,008	8,152	8,295	8,439	8,583	8,727	8,871	9,015	9,158	9,302	
	55,100	7,907	8,051	8,196	8,341	8,485	8,630	8,775	8,919	9,064	9,209	9,353	
	55,400	7,950	8,095	8,241	8,386	8,532	8,677	8,822	8,968	9,113	9,259	9,404	
	55,700	7,993	8,139	8,285	8,432	8,578	8,724	8,870	9,016	9,163	9,309	9,455	
	56,000	8,036	8,183	8,330	8,477	8,624	8,771	8,918	9,065	9,212	9,359	9,506	

Revenue from Direct Deployment (INR mn) - FY27E

Revenue from Direct Deployment (with min) - FY24		Total Number of days deployed											
	10,365	2,140	2,170	2,200	2,230	2,260	2,290	2,320	2,350	2,380	2,410	2,440	
Deployment Rate (\$/day)	50,600	9,583	9,717	9,852	9,986	10,121	10,255	10,389	10,524	10,658	10,792	10,927	
	50,900	9,640	9,775	9,910	10,045	10,181	10,316	10,451	10,586	10,721	10,856	10,991	
	51,200	9,697	9,833	9,969	10,105	10,241	10,376	10,512	10,648	10,784	10,920	11,056	
	51,500	9,754	9,890	10,027	10,164	10,301	10,437	10,574	10,711	10,847	10,984	11,121	
	51,800	9,810	9,948	10,085	10,223	10,361	10,498	10,636	10,773	10,911	11,048	11,186	
	52,100	9,867	10,006	10,144	10,282	10,421	10,559	10,697	10,835	10,974	11,112	11,250	
	52,400	9,924	10,063	10,202	10,341	10,481	10,620	10,759	10,898	11,037	11,176	11,315	
	52,700	9,981	10,121	10,261	10,401	10,541	10,680	10,820	10,960	11,100	11,240	11,380	
	53,000	10,038	10,178	10,319	10,460	10,601	10,741	10,882	11,023	11,163	11,304	11,445	
	53,300	10,094	10,236	10,378	10,519	10,661	10,802	10,944	11,085	11,227	11,368	11,510	
	53,600	10,151	10,294	10,436	10,578	10,721	10,863	11,005	11,147	11,290	11,432	11,574	

Source: Company reports, Arianth Capital Research

- Bull Case - Base Case - Bear Case

Outlook & Valuation: Nusantara and Anant vessels acquisition and integration are expected to be completed by Q2FY26E and are expected to bring additional revenue of INR 2.7bn per annum going forward. The UAE business becomes profitable, UK business incurring losses due to depreciation and interest costs, and is expected to be cash flow positive by FY27E. The Searete India IFSC, JV lease and trade vessels, potentially adding to future revenue streams. The company is focusing on key growth regions like the Middle East and the Gulf, where realizations are higher. The contracts are dollar-denominated, and currency appreciation will benefit the long term. East Coast discoveries will provide additional opportunities for SEAMEC Ltd. The asset consolidation would bring additional revenue to SEAMEC and likely unlock the potential going forward. In the base case scenario, we are estimating revenue to grow at a CAGR of 31.3% over the period of FY25-27E backed by long-term contracts, asset consolidation, and OSVs. We are estimating that EBITDA & PAT margins are expected to be 38.3% & 23.1% by FY27E, backed by cost rationalization and an increase in freight and charter rates. We maintain our "BUY" rating with a Target Price of INR 2,549 based on 25x of FY27E EPS of INR 101.9, an upside of 176.1%.

Exhibit 4: Bull Case Scenario

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Number of Vessels deployed	6	6	6	6	6	8	8
Total Number of days deployed	921	1,257	1,289	1,584	1,332	1,790	2,320
Deployment Rate (\$/day)	33,188	30,725	38,599	49,912	51,956	54,800	52,700
USD/INR	75	76	80	83	86	88	89
Revenue from Direct Deployment	2,292	2,935	3,990	6,562	5,984	8,583	10,820
Other Vessel Revenue	-	-	-	-	189	352	527
Standalone revenue	2,292	2,935	3,990	6,562	6,173	8,935	11,347
Subsidiary revenue	276	561	382	637	345	350	350
Revenue from Operations	2,568	3,496	4,372	7,199	6,518	9,285	11,697
EBITDA	667	1,291	1,264	2,422	2,137	3,593	4,765
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.6%	32.8%	38.7%	40.7%
PAT	988	837	336	1,207	879	2,098	3,060
PAT Margin (%)	38.5%	23.9%	7.7%	16.8%	13.5%	22.6%	26.2%
EPS (INR)	41.8	34.2	16.7	49.0	37.3	82.5	120.3

Valuation - P/E (FY27E)

EPS (INR) 120.3

P/E (x) 28.0

Target Price (INR) 3,370

CMP (INR) 923

Upside/Downside (%) 265.1%

Source: Company, Arihant Capital Research

Exhibit 5: Base Case Scenario

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Number of Vessels deployed	6	6	6	6	6	8	8
Total Number of days deployed	921	1,257	1,289	1,584	1,332	1,760	2,260
Deployment Rate (\$/day)	33,188	30,725	38,599	49,912	51,956	54,021	51,821
USD/INR	75	76	80	83	86	88	89
Revenue from Direct Deployment	2,292	2,935	3,990	6,562	5,984	8,319	10,365
Other Vessel Revenue	-	-	-	-	189	352	527
Standalone revenue	2,292	2,935	3,990	6,562	6,173	8,671	10,891
Subsidiary revenue	276	561	382	637	345	350	350
Revenue from Operations	2,568	3,496	4,372	7,199	6,518	9,021	11,241
EBITDA	667	1,291	1,264	2,422	2,137	3,330	4,309
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.6%	32.8%	36.9%	38.3%
PAT	988	837	336	1,207	879	1,828	2,592
PAT Margin (%)	38.5%	23.9%	7.7%	16.8%	13.5%	20.3%	23.1%
EPS (INR)	41.8	34.2	16.7	49.0	37.3	71.9	101.9

Valuation - P/E (FY27E)

EPS (INR) 101.9

P/E (x) 25.0

Target Price (INR) 2,549

CMP (INR) 923

Upside/Downside (%) 176.1%

Source: Company, Arihant Capital Research

Outlook & Valuation

Exhibit 6: Bear Case Scenario

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Number of Vessels deployed	6	6	6	6	6	8	8
Total Number of days deployed	921	1,257	1,289	1,584	1,332	1,700	2,200
Deployment Rate (\$/day)	33,188	30,725	38,599	49,912	51,956	53,600	51,200
USD/INR	75	76	80	83	86	88	89
Revenue from Direct Deployment	2,292	2,935	3,990	6,562	5,984	7,973	9,969
Other Vessel Revenue	-	-	-	-	189	352	527
Standalone revenue	2,292	2,935	3,990	6,562	6,173	8,325	10,495
Subsidiary revenue	276	561	382	637	345	350	350
Revenue from Operations	2,568	3,496	4,372	7,199	6,518	8,675	10,845
EBITDA	667	1,291	1,264	2,422	2,137	2,983	3,913
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.6%	32.8%	34.4%	36.1%
PAT	988	837	336	1,207	879	1,473	2,186
PAT Margin (%)	38.5%	23.9%	7.7%	16.8%	13.5%	17.0%	20.2%
EPS (INR)	41.8	34.2	16.7	49.0	37.3	57.9	85.9

Valuation - P/E (FY27E)

EPS (INR) 85.9

P/E (x) 22.0

Target Price (INR) 1,891

CMP (INR) 923

Upside/Downside (%) 104.8%

Source: Company, Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	2,568	3,496	4,372	7,293	6,518	9,021	11,241
Operating expenses	1,284	1,334	2,046	3,346	2,830	3,588	4,344
Gross Profit	1,284	2,162	2,327	3,947	3,689	5,434	6,897
Gross Margin (%)	50.0%	61.8%	53.2%	54.1%	56.6%	60.2%	61.4%
Employee Cost	532	601	761	919	982	1,345	1,665
Other Expenses	85	270	302	606	570	759	924
EBITDA	667	1,291	1,264	2,422	2,137	3,330	4,309
EBITDA Margin (%)	26.0%	36.9%	28.9%	33.2%	32.8%	36.9%	38.3%
Depreciation	(566)	(839)	(1,120)	(1,348)	(1,306)	(1,451)	(1,654)
Interest expense	(48)	(64)	(68)	(163)	(155)	(177)	(221)
Other income	390	460	200	289	304	244	324
Exceptional Items	619	-	-	-	88	-	-
Profit before tax	1,062	848	276	1,200	1,068	1,944	2,758
Taxes	(75)	(11)	60	6	(189)	(117)	(165)
PAT	988	837	336	1,207	879	1,828	2,592
PAT Margin (%)	38.5%	23.9%	7.7%	16.5%	13.5%	20.3%	23.1%
Other Comprehensive income	75	32	89	39	69	-	-
Net profit	1,063	869	425	1,246	948	1,828	2,592
EPS (INR)	41.8	34.2	16.7	49.0	37.3	71.9	101.9

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity capital	254	254	254	254	254	254	254
Reserves	6,367	7,230	7,649	8,860	9,824	11,652	14,245
Net worth	6,621	7,485	7,903	9,114	10,079	11,906	14,499
Minority Interest	23	27	12	10	(11)	(11)	(11)
Provisions	13	16	21	26	33	12	15
Debt	1,443	1,832	1,843	3,510	2,881	5,981	3,831
Other non-current liabilities	51	61	2	-	-	90	112
Total Liabilities	8,152	9,421	9,781	12,660	12,981	17,979	18,446
Fixed assets	2,908	4,106	5,848	7,018	6,396	13,945	13,590
Capital Work In Progress	0	19	-	6	-	-	-
Other Intangible assets	1	1	2	2	2	2	2
Investments	2,996	2,713	1,366	1,259	3,340	1,353	2,023
Other non current assets	50	68	289	363	218	408	562
Net working capital	615	474	661	2,232	1,306	769	814
Inventories	202	276	412	543	431	531	643
Sundry debtors	788	395	1,059	2,277	1,593	1,483	1,694
Loans & Advances	-	-	-	-	-	-	-
Other current assets	62	87	51	827	93	99	123
Sundry creditors	(353)	(243)	(601)	(1,125)	(537)	(982)	(1,197)
Other current liabilities & Prov	(85)	(42)	(259)	(290)	(274)	(361)	(450)
Cash	277	238	1,546	1,361	1,402	1,075	849
Other Financial Assets	1,305	1,803	70	263	161	271	450
Total Assets	8,152	9,421	9,781	12,660	12,981	17,979	18,446

Source: Company Reports, Arihant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Tax burden (x)	0.9	1.0	1.2	1.0	0.8	0.9	0.9
Interest burden (x)	10.5	1.9	1.9	1.1	1.3	1.0	1.0
EBIT margin (x)	0.0	0.1	0.0	0.1	0.1	0.2	0.2
Asset turnover (x)	0.6	0.7	0.6	0.7	0.6	0.7	0.6
Financial leverage (x)	0.7	0.7	0.9	1.3	1.2	1.3	1.3
RoE (%)	16.2%	11.9%	4.4%	14.2%	9.2%	16.6%	19.6%

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Profit before tax	1,062	848	276	1,200	1,068	1,944	2,758
Depreciation	566	839	1,120	1,348	1,306	1,451	1,654
Tax paid	(75)	(11)	60	6	(189)	(117)	(165)
Working capital Δ	(396)	141	(188)	(1,571)	926	537	(44)
Operating cashflow	1,158	1,817	1,268	828	3,111	3,816	4,202
Capital expenditure	(982)	(2,056)	(2,842)	(2,523)	(679)	(9,000)	(1,300)
Free cash flow	176	(239)	(1,574)	(1,696)	2,432	(5,184)	2,902
Equity raised	45	31	67	28	64	-	-
Investments	(645)	283	1,346	107	(2,081)	1,987	(670)
Others	137	(515)	1,512	(268)	247	(300)	(333)
Debt financing/disposal	254	389	11	1,666	(629)	3,100	(2,150)
Other items	28	12	(55)	4	7	70	25
Net Δ in cash	(4)	(39)	1,308	(185)	40	(327)	(226)
Opening Cash Flow	281	277	238	1,546	1,361	1,402	1,075
Closing Cash Flow	277	238	1,546	1,361	1,402	1,075	849

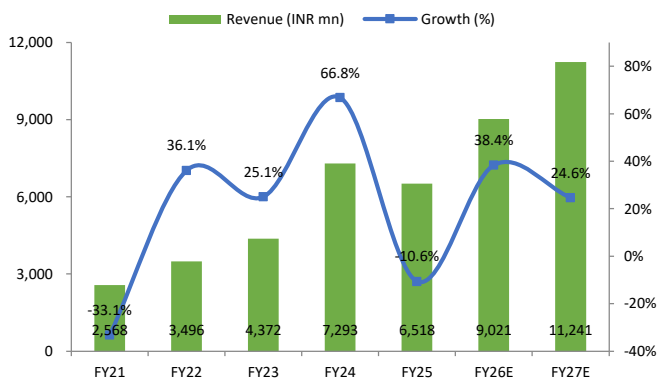
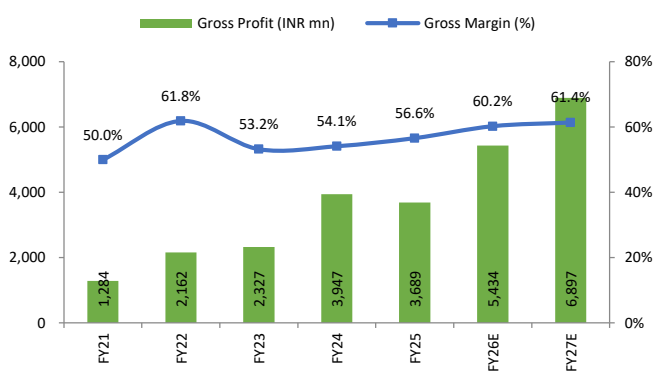
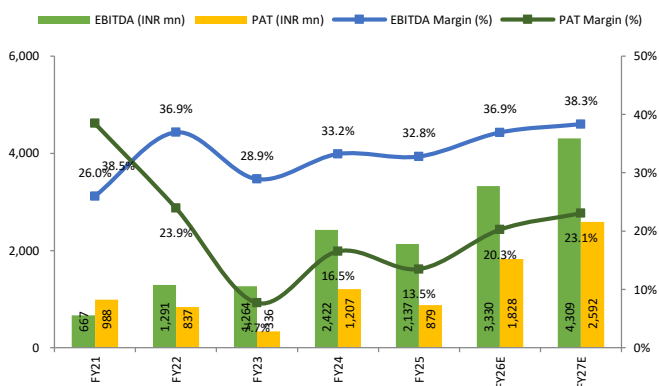
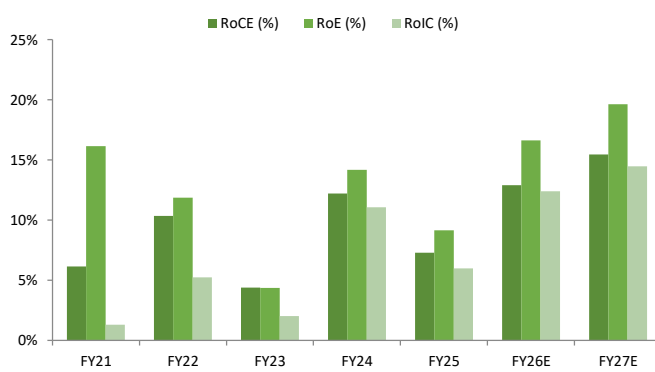
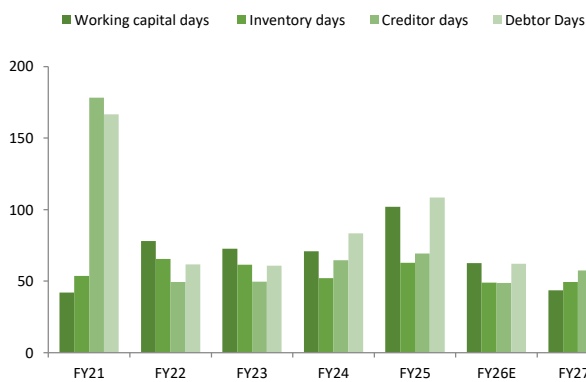
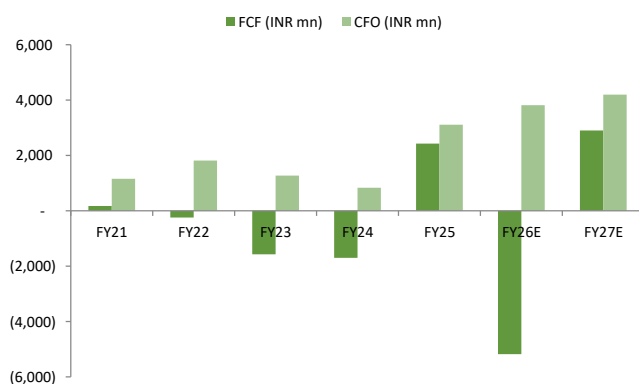
Source: Company Reports, Arihant Capital Research

Ratio analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Growth matrix (%)							
Revenue growth	-33.1%	36.1%	25.1%	66.8%	-10.6%	38.4%	24.6%
Op profit growth	-60.4%	93.5%	-2.1%	91.6%	-11.8%	55.8%	29.4%
Profitability ratios (%)							
OPM	26.0%	36.9%	28.9%	33.2%	32.8%	36.9%	38.3%
Net profit margin	38.5%	23.9%	7.7%	16.5%	13.5%	20.3%	23.1%
RoCE	6.1%	10.3%	4.4%	12.2%	7.3%	12.9%	15.5%
RoNW	16.2%	11.9%	4.4%	14.2%	9.2%	16.6%	19.6%
RoA	12.1%	8.9%	3.4%	9.5%	6.8%	10.2%	14.1%
Per share ratios (INR)							
EPS	41.8	34.2	16.7	49.0	37.3	71.9	101.9
Dividend per share	-	-	-	1.0	-	-	-
Cash EPS	61.1	65.9	57.3	100.4	85.9	129.0	167.0
Book value per share	260.4	294.4	310.8	358.4	396.3	468.2	570.1
Valuation ratios (x)							
P/E	22.1	27.0	55.3	18.8	24.8	12.8	9.1
P/CEPS	15.1	14.0	16.1	9.2	10.7	7.2	5.5
P/B	3.5	3.1	3.0	2.6	2.3	2.0	1.6
EV/EBITDA	32.4	17.3	17.7	10.1	10.1	8.1	5.7
Payout (%)							
Dividend payout	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%
Tax payout	7.0%	1.3%	-21.7%	-0.5%	17.7%	6.0%	6.0%
Liquidity ratios							
Debtor days	167	62	61	83	108	62	52
Inventory days	54	65	61	52	63	49	49
Creditor days	178	49	50	65	69	49	57
WC Days	42	78	73	71	102	62	44
Leverage ratios (x)							
Interest coverage	2.1	7.0	2.1	6.6	5.4	10.6	12.0
Net debt / equity	0.2	0.2	0.0	0.2	0.1	0.4	0.2
Net debt / op. profit	1.7	1.2	0.2	0.9	0.7	1.5	0.7

Source: Company Reports, Arihant 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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