

Vessel expansion is expected to support growth.

CMP: INR 1,276

Rating: BUY

Target Price: INR 2,478

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)	32,449
52w H/L (INR)	1,329/753
Avg Yearly Volume (in 000')	44.7

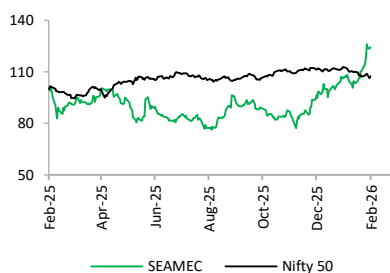
Shareholding Pattern %

(As on Dec, 2025)

Promoters	72.72
DII	4.08
FII	3.36
Public & Others	19.86

Stock Performance (%)	3m	6m	12m
SEAMEC	43.8	60.6	24.4
NIFTY	-2.6	1.5	7.4

SEAMEC vs NIFTY



Abhishek Jain

abhishek.jain@arihantcapital.com
022-67114871

Balasubramanian A

bala@arihantcapital.com
022-67114870

SEAMEC reported numbers, Q3FY26 revenue stood at INR 3,171mn (+112.3% YoY/+225.4% QoQ); above our estimates of INR 1,902mn, supported by higher deployment of vessels and a turnkey job in revamping of NLM 9 platform completion. Gross Profit stood at INR 1,919mn (+144.5% YoY/+308.9% QoQ), above our estimates of INR 1,205mn. Gross margins improved by 797 bps YoY (+1235 bps QoQ) to 60.5% Q3FY26. The margin improvement is mainly because of the operating expenses decrease in terms of sales. The operating expenses in terms of sales stood at 39.5% vs 47.4% in Q3FY25. EBITDA stood at INR 1,358mn (+206.8% YoY/+1632.3% QoQ), above our estimates of INR 773mn. EBITDA margin improved by 1319 bps YoY (+3479 bps QoQ) to 42.8% in Q3FY26, supported by higher deployment of vessels, and moderated manpower cost and other expenses in-terms of sales. PAT stood at INR 998mn vs INR -32mn in Q3FY25, above our estimates of INR 323mn. PAT margin stood at 31.5% vs -2.2% in Q3FY25.

Key Highlights

Strategic growth through fleet expansion and prudent capital allocation: The recent acquisition of the SEAMEC Agastya (\$23mn) and upcoming deployment of SEAMEC Anant in Q1FY27E are immediate growth catalysts. SEAMEC Agastya acquisition funded through Internal accruals and debt of INR 1.5bn, to be repaid over 8 years. SEAMEC Anant will be funded through a 50/50 mix of internal funds and term loans. The internal accruals are prioritized for asset acquisitions and debt reductions. The company is focused on prepaying loans within 3-4 years. Further, the committed INR 10bn investments, backed by an MoU with the DG Shipping, are aimed at adding technically advanced vessels to its fleet. The company is executing focused expansion through selective vessel acquisition and modernization.

Favorable Industry backdrop and regulatory advantages: The company operates in a supportive macro environment, aligned with India's \$100bn push in exploration and production, and planned expansion of refining capacity from 260 to 300 MMTPA. The collaboration with major players like ONGC and Reliance to share offshore infrastructure further enhances efficiency. The company's diving vessels are exempt from age-based retirement norms, allowing fully depreciated, economically viable assets to operate with minimum capital cost, leading to higher profitability and RoCE.

Governance evolution and value creation from parent company: The strategic shift is underway to consolidate the vessel business from the parent company to SEAMEC. The deployment of the Goodman vessel, although owned by the parent company, SEAMEC, took the contract and rented the vessel, resulting in an exceptional one-time gain of INR 220mn in Q3FY26. The company is also moving revenue mix towards IMR contracts, which offer more consistent deployment compared to seasonal EPC work.

Outlook & Valuation: SEAMEC Agastya vessel has already deployed with ONGC, and SEAMEC Anant deployment is expected by Q1FY27E, which is expected bring additional revenue of INR 2.1bn/annum going forward. The company has committed INR 10bn capex under an MoU with the DG Shipping to expand fleet capabilities. SEAMEC Paladin is undergoing dry-docking for 70days and planned dry docking for SEAMEC Diamond is expected to normalize revenue and profitability in Q4FY26E. The company also strategically planned dry docking for SEAMEC III, SEAMEC Princess, and SEAMEC Glorious during the monsoon period in FY27E. The company's growth momentum is expected to be sustained by migrating more contract bidding from its parent, directly into SEAMEC, and capitalizing on favorable regulatory norms that exempt its diving support vessels from age-based retirement mandates, ensuring continued higher utilization and improved RoCE. In the base case scenario, we are estimating revenue to grow at a CAGR of 17.8% over the period of FY25-28E backed by long-term contracts, asset consolidation, and OSVs. We are estimating that EBITDA & PAT margins are expected to be 42.6% & 23.7% by FY28E, backed by cost rationalization. We maintain our "BUY" rating with a Target Price of INR 2,478 based on 25x of FY28E EPS of INR 99.1, an upside 94.2%.

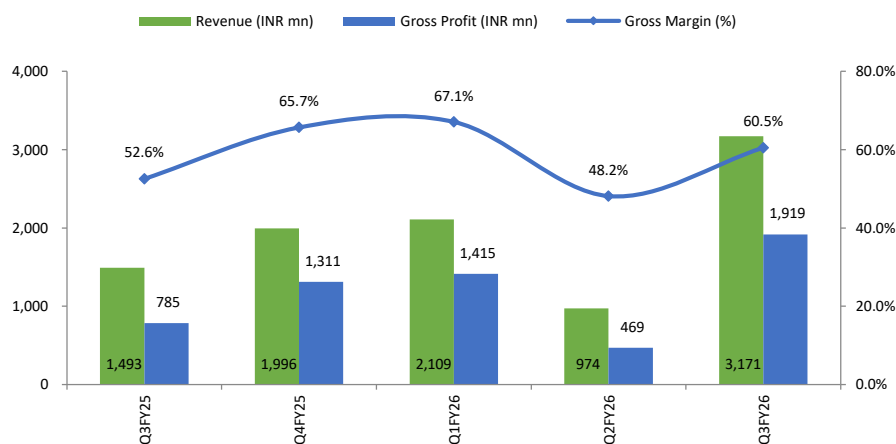
Q3FY26 Results

Income statement summary

Particular (INR mn)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	1,493	974	3,171	112.3%	225.4%
Net Raw Materials	708	505	1,251	76.6%	147.9%
Gross Profit	785	469	1,919	144.5%	308.9%
Gross Margin (%)	52.6%	48.2%	60.5%	+797 bps	+1235 bps
Employee Cost	243	293	351	44.5%	19.5%
Other Expenses	100	98	211	111.0%	115.3%
EBITDA	443	78	1,358	206.8%	1632.3%
EBITDA Margin (%)	29.6%	8.0%	42.8%	+1319 bps	+3479 bps
Depreciation	335	381	358		
Interest expense	34	50	65		
Other income	(100)	101	144		
Exceptional Items	0	-	-		
Profit before tax	(26)	(251)	1,079		
Taxes	6	6	81		
PAT	(32)	(257)	998		
PAT Margin (%)	-2.2%	-26.4%	31.5%		
EPS (INR)	(1.3)	(10.1)	39.2		

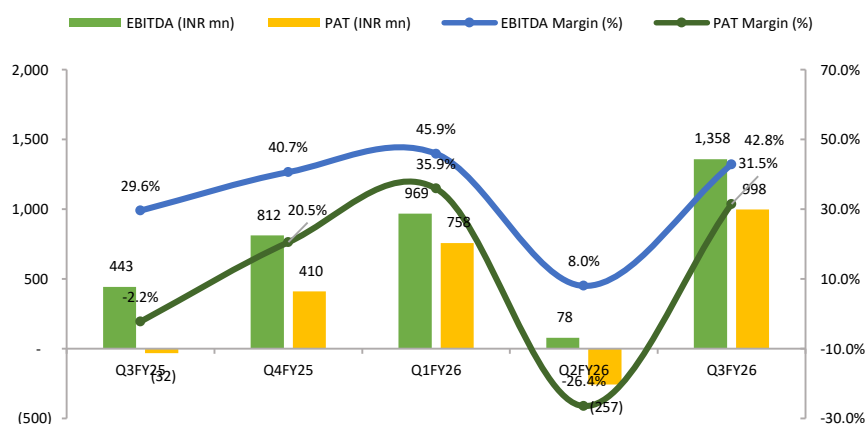
Source: Company Reports, Arihant Capital Research

Exhibit 1: Gross margins improved by 797 bps YoY (+1235 bps QoQ) to 60.5% in Q3FY26 due to lower operating expenses and operating leverage supported by higher deployment of vessels.



Source: Company Reports, Arihant Capital Research

Exhibit 2: EBITDA margin improved by 1319 bps YoY (+3479 bps QoQ) to 42.8% in Q3FY26 due to gross margin impact and lower employee costs and other expenses in-terms of sales.



Source: Company Reports, Arihant Capital Research

Q3FY26 Concall Highlights

Charter rates

- Charter rates vary based on vessel specifications, age, and scope of work. SEAMEC Swordfish commands a higher day rate of ~\$75,000 due to its superior tonnage and accommodation, compared to SEAMEC Anant (\$45,000/day).

Utilization

- The utilization levels remain high for SEAMEC II, SEAMEC III, SEAMEC Diamond, SEAMEC Agastya, and SEAMEC Swordfish currently operational.

SEAMEC Agastya

- The company has acquired SEAMEC Agastya (\$23mn) and is already operational under a contract with ONGC via HAL Offshore.
- The technical breakdown for SEAMEC Agastya was resolved immediately, with no client concerns or penalties.

SEAMEC Anant

- The acquisition of SEAMEC Anant is in progress and expected to be completed by Q4FY26E and deployment by Q1FY27E. The delay in finalizing the Anant acquisition was due to multiple approvals from the board, shareholders, ONGC, and the managing relative party transaction limits.
- SEAMEC Anant is not due for dry docking in the immediate future.

Debt and repayment

- SEAMEC Agastya acquisition funded through Internal accruals and debt of INR 1.5bn, to be repaid over 8 years. SEAMEC Anant will be funded through a 50/50 mix of internal funds and term loans.
- The internal accruals are prioritized for asset acquisitions and debt reductions. The company is focused on prepaying loans within 3-4 years.

MoU

- The company has signed an MoU with the Directorate General of Shipping and committed INR 10bn investment over the next 2-3 years. The company aimed to acquire one or more vessels to expand its capabilities.

Regulatory norms

- SEAMEC diving support vessels have been excluded from current age-based retirement mandates, allowing continued operation as long as they remain economically viable and efficient.

Dry docking

- SEAMEC Paladin underwent statutory drydocking in Dubai for 70 days, which is expected to lower revenue and profitability in Q4FY26E.
- SEAMEC Diamond is scheduled for drydocking in Q4FY26E.
- SEAMEC III, SEAMEC Princess, and SEAMEC Glorious are expected to undergo drydocking in FY27E. its strategically planned during the monsoon period.

Q3FY26 Concall Highlights

Goodman Vessel

- The Goodman vessel, owned by HAL Offshore. SEAMEC secured a contract for this vessel, yielding a benefit of INR 220mn+.

Subsidiaries

- The company is consciously consolidating its core business and reducing negative impacts from overseas businesses like SEAMEC International and SEAMEC UK.
- Dubai subsidiary revenue stood at INR 150mn in Q3FY26.

Relationship with HAL Offshore

- The relationship with HAL Offshore (Parent company) involves a revenue-sharing model, with SEAMEC increasingly bidding and performing contracts. The business is expected to shift gradually away from the parent company to SEAMEC.

Industry

- The Indian government's \$100bn investment push in the energy sector and plans to expand refining capacity remain favorable.
- Global oil demand is projected remain above 100mn barrels per day through 2040, ensuring long-term relevance for offshore infrastructure services.
- The MoU between ONGC and Reliance to share offshore resources is expected to improve sector-wide operational efficiency.
- ONGC's recent acquisition of exploration blocks has long-term potential, commercial extraction, leading to demand for vessels from 4-6 years onwards.

Other highlights

- The company is strategically transitioning towards IMR contracts, which have higher margins and more consistent vessel utilization throughout the year.
- EPC typically halts during the monsoon season. The company is retaining two older vessels for EPC, and assets are held at zero book value.
- RoCE/RoE stood at 15%/16% in 9MFY26, respectively.

Investment Rationale

Exhibit 3: Agastya and Anant vessels are expected to bring additional revenue of more than INR 2.1bn per annum going forward.

Particular (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Old DSV	5	5	5	5	5	5	5	5
Barge	1	1	1	1	1	1	1	1
New DSV	-	-	-	-	-	1	2	2
Total	6	6	6	6	6	7	8	8

Number of Vessels deployed	6	6	6	6	6	8	8	8
Total Number of days deployed	921	1,257	1,289	1,584	1,332	1,560	2,170	2,280
Deployment Rate (\$/day)	33,188	30,725	38,599	49,912	51,956	51,810	47,503	48,641
USD/INR	75	76	80	83	86	88	89	91
Revenue from Direct Deployment	2,292	2,935	3,990	6,562	5,984	7,072	9,174	10,037
OSV Vessel Revenue	-	-	-	-	189	237	265	269
Standalone revenue	2,292	2,935	3,990	6,562	6,173	7,309	9,439	10,306
Subsidiary revenue	276	561	382	637	345	350	350	350
Revenue from Operations	2,568	3,496	4,372	7,199	6,518	7,659	9,789	10,656

Revenue from Direct Deployment (INR mn) - FY26E

		Total Number of days deployed											
		7,072	1,440	1,470	1,500	1,530	1,560	1,590	1,620	1,650	1,680	1,710	1,740
Deployment Rate (\$/day)	50,600	6,376	6,508	6,641	6,774	6,907	7,040	7,173	7,305	7,438	7,571	7,704	
	50,900	6,413	6,547	6,681	6,814	6,948	7,081	7,215	7,349	7,482	7,616	7,750	
	51,200	6,451	6,586	6,720	6,854	6,989	7,123	7,258	7,392	7,526	7,661	7,795	
	51,500	6,489	6,624	6,759	6,895	7,030	7,165	7,300	7,435	7,571	7,706	7,841	
	51,800	6,527	6,663	6,799	6,935	7,071	7,207	7,343	7,479	7,615	7,751	7,887	
	52,100	6,565	6,701	6,838	6,975	7,112	7,248	7,385	7,522	7,659	7,795	7,932	
	52,400	6,602	6,740	6,878	7,015	7,153	7,290	7,428	7,565	7,703	7,840	7,978	
	52,700	6,640	6,779	6,917	7,055	7,194	7,332	7,470	7,609	7,747	7,885	8,024	
	53,000	6,678	6,817	6,956	7,095	7,235	7,374	7,513	7,652	7,791	7,930	8,069	
	53,300	6,716	6,856	6,996	7,136	7,275	7,415	7,555	7,695	7,835	7,975	8,115	
	53,600	6,754	6,894	7,035	7,176	7,316	7,457	7,598	7,739	7,879	8,020	8,161	

Revenue from Direct Deployment (INR mn) - FY27E

		Total Number of days deployed											
		9,174	2,050	2,080	2,110	2,140	2,170	2,200	2,230	2,260	2,290	2,320	2,350
Deployment Rate (\$/day)	46,500	8,484	8,608	8,732	8,856	8,981	9,105	9,229	9,353	9,477	9,601	9,725	
	46,800	8,539	8,664	8,789	8,914	9,038	9,163	9,288	9,413	9,538	9,663	9,788	
	47,100	8,593	8,719	8,845	8,971	9,096	9,222	9,348	9,474	9,599	9,725	9,851	
	47,400	8,648	8,775	8,901	9,028	9,154	9,281	9,407	9,534	9,661	9,787	9,914	
	47,700	8,703	8,830	8,958	9,085	9,212	9,340	9,467	9,594	9,722	9,849	9,976	
	48,000	8,758	8,886	9,014	9,142	9,270	9,398	9,527	9,655	9,783	9,911	10,039	
	48,300	8,812	8,941	9,070	9,199	9,328	9,457	9,586	9,715	9,844	9,973	10,102	
	48,600	8,867	8,997	9,127	9,256	9,386	9,516	9,646	9,775	9,905	10,035	10,165	
	48,900	8,922	9,052	9,183	9,313	9,444	9,575	9,705	9,836	9,966	10,097	10,227	
	49,200	8,977	9,108	9,239	9,371	9,502	9,633	9,765	9,896	10,027	10,159	10,290	
	49,500	9,031	9,163	9,296	9,428	9,560	9,692	9,824	9,956	10,089	10,221	10,353	

Revenue from Direct Deployment (INR mn) - FY28E

		Total Number of days deployed											
		10,037	2,160	2,190	2,220	2,250	2,280	2,310	2,340	2,370	2,400	2,430	2,460
Deployment Rate (\$/day)	47,500	9,285	9,414	9,543	9,672	9,801	9,930	10,059	10,188	10,317	10,446	10,575	
	47,800	9,344	9,474	9,603	9,733	9,863	9,993	10,123	10,252	10,382	10,512	10,642	
	48,100	9,403	9,533	9,664	9,794	9,925	10,056	10,186	10,317	10,447	10,578	10,709	
	48,400	9,461	9,593	9,724	9,855	9,987	10,118	10,250	10,381	10,512	10,644	10,775	
	48,700	9,520	9,652	9,784	9,917	10,049	10,181	10,313	10,445	10,578	10,710	10,842	
	49,000	9,579	9,712	9,845	9,978	10,111	10,244	10,377	10,510	10,643	10,776	10,909	
	49,300	9,637	9,771	9,905	10,039	10,173	10,306	10,440	10,574	10,708	10,842	10,976	
	49,600	9,696	9,830	9,965	10,100	10,234	10,369	10,504	10,638	10,773	10,908	11,042	
	49,900	9,754	9,890	10,025	10,161	10,296	10,432	10,567	10,703	10,838	10,974	11,109	
	50,200	9,813	9,949	10,086	10,222	10,358	10,495	10,631	10,767	10,903	11,040	11,176	
	50,500	9,872	10,009	10,146	10,283	10,420	10,557	10,694	10,831	10,969	11,106	11,243	

Source: Company reports, Arihant Capital Research

■ Bull Case ■ Base Case ■ Bear Case

Outlook & Valuation: SEAMEC Agastya vessel has already deployed with ONGC, and SEAMEC Anant deployment is expected by Q1FY27E, which is expected bring additional revenue of INR 2.1bn/annum going forward. The company has committed INR 10bn capex under an MoU with the DG Shipping to expand fleet capabilities. SEAMEC Paladin is undergoing dry-docking for 70days and planned dry docking for SEAMEC Diamond is expected to normalize revenue and profitability in Q4FY26E. The company also strategically planned dry docking for SEAMEC III, SEAMEC Princess, and SEAMEC Glorious during the monsoon period in FY27E. The company's growth momentum is expected to be sustained by migrating more contract bidding from its parent, directly into SEAMEC, and capitalizing on favorable regulatory norms that exempt its diving support vessels from age-based retirement mandates, ensuring continued higher utilization and improved RoCE. In the base case scenario, we are estimating revenue to grow at a CAGR of 17.8% over the period of FY25-28E backed by long-term contracts, asset consolidation, and OSVs. We are estimating that EBITDA & PAT margins are expected to be 42.6% & 23.7% by FY28E, backed by cost rationalization. We maintain our "BUY" rating with a Target Price of INR 2,478 based on 25x of FY28E EPS of INR 99.1, an upside 94.2%.

Exhibit 4: Bull Case Scenario

Y/e 31 Mar (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Number of Vessels deployed	6	6	6	6	7	8	8
Total Number of days deployed	1,257	1,289	1,584	1,332	1,620	2,200	2,310
Deployment Rate (\$/day)	30,725	38,599	49,912	51,956	52,100	48,000	49,000
USD/INR	76	80	83	86	88	89	91
Revenue from Direct Deployment	2,935	3,990	6,562	5,984	7,385	9,398	10,244
Other Vessel Revenue	-	-	-	189	237	265	269
Standalone revenue	2,935	3,990	6,562	6,173	7,623	9,663	10,513
Subsidiary revenue	561	382	637	345	350	350	350
Revenue from Operations	3,496	4,372	7,199	6,518	7,973	10,013	10,863
EBITDA	1,291	1,264	2,422	2,137	2,985	4,020	4,611
EBITDA Margin (%)	36.9%	28.9%	33.6%	32.8%	37.4%	40.1%	42.4%
PAT	837	336	1,207	879	1,672	2,103	2,601
PAT Margin (%)	23.9%	7.7%	16.8%	13.5%	21.0%	21.0%	23.9%
EPS (INR)	34.2	16.7	49.0	37.3	65.7	82.7	102.3

Valuation - P/E (FY28E)

EPS (INR)	102.3
P/E (x)	28.0
Target Price (INR)	2,864
CMP (INR)	1,276
Upside/Downside (%)	124.5%

Source: Company reports, Arianth Capital Research

Exhibit 5: Base Case Scenario

Y/e 31 Mar (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Number of Vessels deployed	6	6	6	6	7	8	8
Total Number of days deployed	1,257	1,289	1,584	1,332	1,560	2,170	2,280
Deployment Rate (\$/day)	30,725	38,599	49,912	51,956	51,810	47,503	48,641
USD/INR	76	80	83	86	88	89	91
Revenue from Direct Deployment	2,935	3,990	6,562	5,984	7,072	9,174	10,037
Other Vessel Revenue	-	-	-	189	237	265	269
Standalone revenue	2,935	3,990	6,562	6,173	7,309	9,439	10,306
Subsidiary revenue	561	382	637	345	350	350	350
Revenue from Operations	3,496	4,372	7,199	6,518	7,659	9,789	10,656
EBITDA	1,291	1,264	2,422	2,137	2,880	3,945	4,539
EBITDA Margin (%)	36.9%	28.9%	33.6%	32.8%	37.6%	40.3%	42.6%
PAT	837	336	1,207	879	1,547	2,018	2,521
PAT Margin (%)	23.9%	7.7%	16.8%	13.5%	20.2%	20.6%	23.7%
EPS (INR)	34.2	16.7	49.0	37.3	60.8	79.4	99.1

Valuation - P/E (FY28E)

EPS (INR)	99.1
P/E (x)	25.0
Target Price (INR)	2,478
CMP (INR)	1,276
Upside/Downside (%)	94.2%

Source: Company reports, Arianth Capital Research

Outlook & Valuation

Exhibit 6: Bear Case Scenario

Y/e 31 Mar (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Number of Vessels deployed	6	6	6	6	7	8	8
Total Number of days deployed	1,257	1,289	1,584	1,332	1,530	2,140	2,250
Deployment Rate (\$/day)	30,725	38,599	49,912	51,956	51,200	47,100	48,100
USD/INR	76	80	83	86	88	89	91
Revenue from Direct Deployment	2,935	3,990	6,562	5,984	6,854	8,971	9,794
Other Vessel Revenue	-	-	-	189	237	265	269
Standalone revenue	2,935	3,990	6,562	6,173	7,092	9,235	10,064
Subsidiary revenue	561	382	637	345	350	350	350
Revenue from Operations	3,496	4,372	7,199	6,518	7,442	9,585	10,414
EBITDA	1,291	1,264	2,422	2,137	2,806	3,873	4,448
EBITDA Margin (%)	36.9%	28.9%	33.6%	32.8%	37.7%	40.4%	42.7%
PAT	837	336	1,207	879	1,461	1,938	2,419
PAT Margin (%)	23.9%	7.7%	16.8%	13.5%	19.6%	20.2%	23.2%
EPS (INR)	34.2	16.7	49.0	37.3	57.4	76.2	95.1
Valuation - P/E (FY28E)							
EPS (INR)							95.1
P/E (x)							25.0
Target Price (INR)							2,379
CMP (INR)							1,276
Upside/Downside (%)							86.4%

Source: Company reports, Arianth Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	3,496	4,372	7,293	6,518	7,659	9,789	10,656
Operating expenses	1,334	2,046	3,346	2,830	3,045	3,695	3,809
Gross Profit	2,162	2,327	3,947	3,689	4,615	6,094	6,846
Gross Margin (%)	61.8%	53.2%	54.1%	56.6%	60.3%	62.3%	64.3%
Employee Cost	601	761	919	982	1,118	1,409	1,524
Other Expenses	270	302	606	570	617	740	784
EBITDA	1,291	1,264	2,422	2,137	2,880	3,945	4,539
EBITDA Margin (%)	36.9%	28.9%	33.2%	32.8%	37.6%	40.3%	42.6%
Depreciation	(839)	(1,120)	(1,348)	(1,306)	(1,563)	(2,159)	(2,352)
Interest expense	(64)	(68)	(163)	(155)	(222)	(232)	(158)
Other income	460	200	289	304	574	548	597
Exceptional Items	-	-	-	88	-	-	-
Profit before tax	848	276	1,200	1,068	1,669	2,102	2,626
Taxes	(11)	60	6	(189)	(122)	(84)	(105)
PAT	837	336	1,207	879	1,547	2,018	2,521
PAT Margin (%)	23.9%	7.7%	16.5%	13.5%	20.2%	20.6%	23.7%
Other Comprehensive income	32	89	39	69	-	-	-
Net profit	869	425	1,246	948	1,547	2,018	2,521
EPS (INR)	34.2	16.7	49.0	37.3	60.8	79.4	99.1

Source: Company Reports, Aриhant Capital Research

Balance sheet summary

Y/e 31 Mar (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	254	254	254	254	254	254	254
Reserves	7,230	7,649	8,860	9,824	11,372	13,390	15,911
Net worth	7,485	7,903	9,114	10,079	11,626	13,644	16,165
Minority Interest	27	12	10	(11)	(11)	(11)	(11)
Provisions	16	21	26	33	10	13	15
Debt	1,832	1,843	3,510	2,881	5,981	4,331	2,681
Other non-current liabilities	61	2	-	-	77	98	107
Total Liabilities	9,421	9,781	12,660	12,981	17,683	18,075	18,955
Fixed assets	4,106	5,848	7,018	6,396	13,833	13,874	13,722
Capital Work In Progress	19	-	6	-	-	-	-
Other Intangible assets	1	2	2	2	2	2	2
Investments	2,713	1,366	1,259	3,340	1,149	1,566	1,705
Other non current assets	68	289	363	218	346	489	533
Net working capital	474	661	2,232	1,306	662	829	894
Inventories	276	412	543	431	450	567	595
Sundry debtors	395	1,059	2,277	1,593	1,259	1,556	1,664
Loans & Advances	-	-	-	-	-	-	-
Other current assets	87	51	827	93	84	107	117
Sundry creditors	(243)	(601)	(1,125)	(537)	(825)	(1,009)	(1,056)
Other current liabilities & Prov	(42)	(259)	(290)	(274)	(306)	(392)	(426)
Cash	238	1,546	1,361	1,402	1,304	766	1,517
Other Financial Assets	1,803	70	263	161	230	392	426
Total Assets	9,421	9,781	12,660	12,981	17,683	18,075	18,955

Source: Company Reports, Aриhant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Tax burden (x)	1.0	1.2	1.0	0.8	0.9	1.0	1.0
Interest burden (x)	1.9	1.9	1.1	1.3	1.3	1.2	1.2
EBIT margin (x)	0.1	0.0	0.1	0.1	0.2	0.2	0.2
Asset turnover (x)	0.7	0.6	0.7	0.6	0.6	0.6	0.6
Financial leverage (x)	0.7	0.9	1.3	1.2	1.3	1.4	1.2
RoE (%)	11.9%	4.4%	14.2%	9.2%	14.3%	16.0%	16.9%

Source: Company Reports, Aриhant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax	848	276	1,200	1,068	1,669	2,102	2,626
Depreciation	839	1,120	1,348	1,306	1,563	2,159	2,352
Tax paid	(11)	60	6	(189)	(122)	(84)	(105)
Working capital Δ	141	(188)	(1,571)	926	644	(167)	(64)
Operating cashflow	1,817	1,268	828	3,111	3,755	4,009	4,809
Capital expenditure	(2,056)	(2,842)	(2,523)	(679)	(9,000)	(2,200)	(2,200)
Free cash flow	(239)	(1,574)	(1,696)	2,432	(5,245)	1,809	2,609
Equity raised	31	67	28	64	-	-	-
Investments	283	1,346	107	(2,081)	2,191	(417)	(139)
Others	(515)	1,512	(268)	247	(197)	(305)	(78)
Debt financing/disposal	389	11	1,666	(629)	3,100	(1,650)	(1,650)
Other items	12	(55)	4	7	54	24	10
Net Δ in cash	(39)	1,308	(185)	40	(97)	(539)	752
Opening Cash Flow	277	238	1,546	1,361	1,402	1,304	766
Closing Cash Flow	238	1,546	1,361	1,402	1,304	766	1,517

Source: Company Reports, Arianth Capital Research

Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Growth matrix (%)							
Revenue growth	36.1%	25.1%	66.8%	-10.6%	17.5%	27.8%	8.9%
Op profit growth	93.5%	-2.1%	91.6%	-11.8%	34.8%	37.0%	15.1%
Profitability ratios (%)							
OPM	36.9%	28.9%	33.2%	32.8%	37.6%	40.3%	42.6%
Net profit margin	23.9%	7.7%	16.5%	13.5%	20.2%	20.6%	23.7%
RoCE	10.3%	4.4%	12.2%	7.3%	11.5%	12.6%	14.5%
RoNW	11.9%	4.4%	14.2%	9.2%	14.3%	16.0%	16.9%
RoA	8.9%	3.4%	9.5%	6.8%	8.8%	11.2%	13.3%
Per share ratios (INR)							
EPS	34.2	16.7	49.0	37.3	60.8	79.4	99.1
Dividend per share	-	-	1.0	-	-	-	-
Cash EPS	65.9	57.3	100.4	85.9	122.3	164.2	191.6
Book value per share	294.4	310.8	358.4	396.3	457.2	536.5	635.7
Valuation ratios (x)							
P/E	37.3	76.4	26.0	34.2	21.0	16.1	12.9
P/CEPS	19.4	22.3	12.7	14.8	10.4	7.8	6.7
P/B	4.3	4.1	3.6	3.2	2.8	2.4	2.0
EV/EBITDA	24.3	24.8	13.8	14.3	12.5	8.7	7.0
Payout (%)							
Dividend payout	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%
Tax payout	1.3%	-21.7%	-0.5%	17.7%	7.3%	4.0%	4.0%
Liquidity ratios							
Debtor days	62	61	83	108	68	52	55
Inventory days	65	61	52	63	53	50	56
Creditor days	49	50	65	69	52	57	62
WC Days	78	73	71	102	69	45	49
Leverage ratios (x)							
Interest coverage	7.0	2.1	6.6	5.4	5.9	7.7	13.9
Net debt / equity	0.2	0.0	0.2	0.1	0.4	0.3	0.1
Net debt / op. profit	1.2	0.2	0.9	0.7	1.6	0.9	0.3

Source: Company Reports, Arianth Capital Research

Story in Charts

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

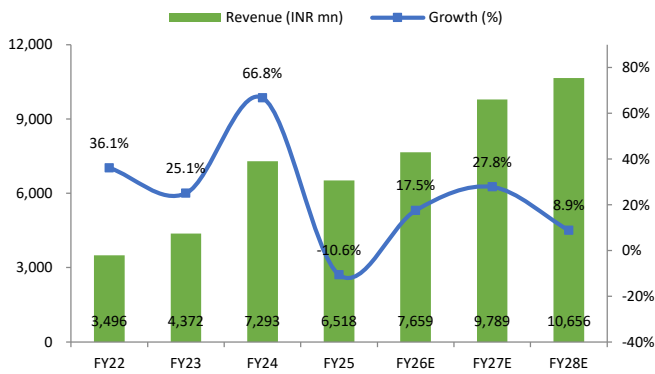


Exhibit 8: Gross margins are expected to improve going forward.

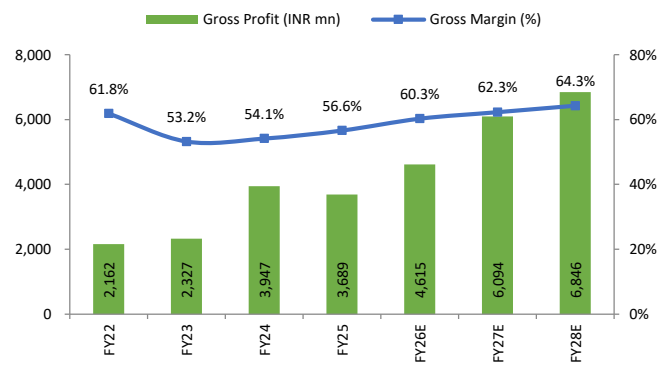


Exhibit 9: Growth in EBITDA & PAT levels

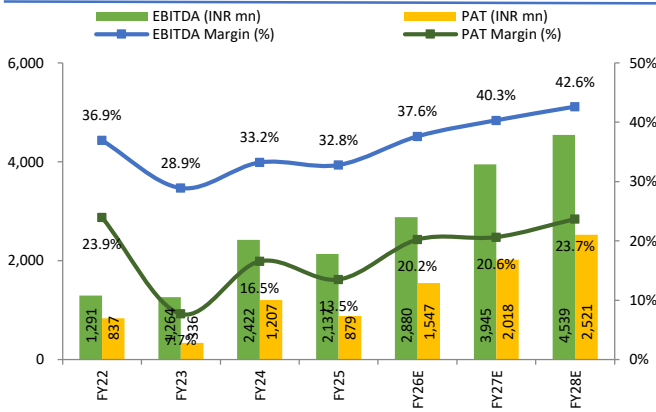


Exhibit 10: Return ratios to be improve

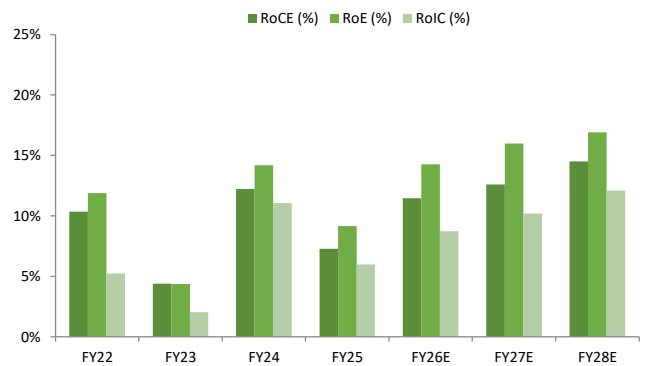


Exhibit 11: Working capital days to be improve.

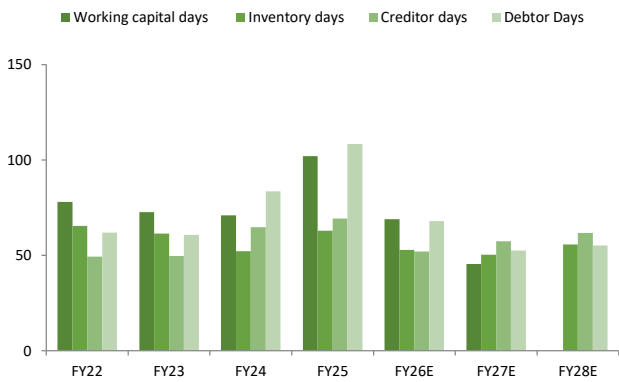


Exhibit 12: Cash flows to be improve.



Source: Company Reports, Arianth Capital Research

Arihant Research DeskEmail: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office

#1011, Solitaire Corporate Park
 Building No. 10, 1st Floor
 Andheri Ghatkopar Link Road
 Chakala, Andheri (E)
 Mumbai – 400093
 Tel: (91-22) 42254800

Registered Office

6 Lad Colony,
 Y.N. Road,
 Indore - 452003, (M.P.)
 Tel: (91-731) 4217100/101
 CIN: L66120MP1992PLC007182

Stock Rating Scale

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%

**Research Analyst
Registration No.****Contact****Website****Email Id**

INH000002764

SMS: 'Arihant' to 56677

www.arihantcapital.cominstresearch@arihantcapital.com**Arihant Capital Markets Ltd.**

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
 Andheri Ghatkopar Link Road, Chakala, Andheri (E)
 Tel. 022-42254800

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800