

May 9, 2017

Great Eastern Shipping (GESHIP)

₹ 415

Dry bulk stays afloat; offshore languishes...

- GE Shipping's Q4FY17 revenues de-grew 15% YoY to ₹ 746.5 crore (I-direct estimate: ₹ 853 crore). Offshore revenues continued to tread down for a seventh consecutive quarter with a decline of 37.4% YoY to ₹ 262 crore (lowest since FY13). Revenues from the shipping segment grew 13% YoY to ₹ 622.8 crore
- Higher fuel expenses (up 27% YoY) and lowest ever utilisation levels in offshore segment resulted in EBITDA de-growth of 23% YoY to ₹ 328.2 crore (vs. I-direct estimate: ₹ 443.6 crore). EBITDA margins were at the lowest level since FY13 to 44% (down 444 bps YoY) compared to 48.4% in Q4FY16 and 51.6% in Q3FY17
- Apart from the sluggish operating performance, higher depreciation (up 8% YoY) due to addition of newer ships, coupled with accounting for impairment charges of ₹ 174.16 crore in the offshore segment, further impacted PAT. Also, higher interest expenses (up 63% YoY) on account of issuance of debentures and lower other income led to a loss at PAT level (excluding MTM gains) at ₹ 138.8 crore (vs. our estimate of profit of ₹ 185 crore). However, incorporating MTM gains to the extent of ₹ 104.6 crore, reported PAT was a loss of ₹ 34.2 crore
- FY17 revenues de-grew 18% YoY to ₹ 3116.9 crore. Revenue from shipping segment grew 5% YoY to ₹ 2234.3 crore. However, revenue from offshore segment de-grew 24% YoY to ₹ 1424.6 crore. EBITDA fell 25% YoY to ₹ 1609.7 crore with margins (down 480 bps YoY) at 51.6%. PAT de-grew 30% YoY to ₹ 755 crore vs. ₹ 1097 crore in FY16

Dragon maintaining strength in BDI; tankers continue to correct...

Revival of manufacturing activities in China and uptake in global trade scenario continue to remain key for uptrend in Baltic Dry Index (BDI), which appears to be on a better footing vs. last year. China (which contributes ~40% of world's sea-borne trade) remained upbeat on industrial activities posting 7.6% growth in March 2017. The optimism in BDI resulted in lower scrapping during the first four months of CY17 at 4 million dead weight ton (DWT) vs. 18 million DWT in the same period of the previous year. Average dry bulk TCY for GE Shipping in Q4FY17 was at \$8345/day (vs. \$4418 in Q4FY16). Tanker markets are one way trending downwards with daily TCY rates nearly half on a YoY basis. Releasing of floating reserves (ships used to store crude) and new additions of ~8.5 million DWT during the quarter resulted in oversupply in the already soft tanker market. With the crude/product and dry bulk fleet growth for CY16 estimated at 3.3%, 10.6% and 2%, an oversupply scenario is expected to prevail thereby capping revenue growth rates.

Bad run in offshore continues; cautious stance affirms our SELL rating...

Worldwide tenders for offshore vessels are getting fewer and fewer. Fleet utilisation levels are at historic low levels of <55%. Given the offshore E&P spending has come off significantly since 2014, day rates for both AHTS & PSV have come off by ~45-50%. The faster idling of vessels has led offshore vessels to re-deploy to lower rates resulting in a grim scenario. The subdued scenario affirms our cautious view on the shipping sector. However, as the sector braces to comply with new emission rules that start in 2020, we continue to maintain a close watch on its implementation. The recent run up in the stock price remains unsupported by its fundamentals. Hence, we maintain our **SELL** recommendation with a target price of ₹ 330 (P/BV multiple at 0.5x FY19).

Rating matrix	
Rating	Sell
Target	₹ 330
Target Period	12 months
Potential Upside	-21%

What's changed?	
Target	Changed from ₹ 315 to ₹ 330
EPS FY18E	Changed from ₹ 68.9 to ₹ 52.3
EPS FY19E	Changed from ₹ 70.1 to ₹ 55.2
Rating	Unchanged

Quarterly performance					
	Q4FY17	Q4FY16	YoY (%)	Q3FY17	QoQ (%)
Revenue	746.5	876.7	-14.9	749.4	-0.4
EBITDA	328.2	424.4	(22.7)	386.6	-15.1
EBITDA (%)	44.0	48.4	-444 bps	51.6	-763 bps
PAT	(34.2)	58.2	(158.7)	238.4	-114.3

Key financials				
₹ Crore	FY16	FY17	FY18E	FY19E
Net Sales	3,808	3,117	3,378	3,599
EBITDA	2,148	1,609	1,672	1,780
Net Profit	1,097	755	789	833
EPS (₹)	72.8	50.1	52.3	55.2

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E	4.9	7.1	6.8	6.4
Target P/E	5.6	6.6	6.3	6.0
EV / EBITDA	3.6	4.2	4.5	3.4
P/BV	0.6	0.7	0.6	0.5
RoNW (%)	13.2	10.5	8.4	8.4
RoCE (%)	11.6	7.0	6.1	6.8

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	6,257.4
Total Debt Gross (FY16) (₹ Crore)	4,930.2
Cash and Investments (FY16) (₹ Crore)	2,625.0
EV (₹ Crore)	8,562.6
52 week H/L	477 / 297
Equity capital	150.8
Face value	10.0

Stock data				
Stocks	1M	3M	6M	1 Yr
GE Shipping Co	-2.0	10.3	14.5	34.3
S C I	5.9	15.6	19.6	14.3
Allcargo Logist.	5.4	6.1	-0.9	22.6

Research Analyst	
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Variance analysis

	Q4FY17	Q1FY17E	Q4FY16	YoY (%)	Q3FY17	QoQ (%)	Comments
Revenue	746.5	936.0	876.7	-14.9	749.4	-0.4	Shipping grew 13% YoY while offshore de-grew 37.4%
Employee Expenses	153.1	149.8	144.9	5.7	147.0	4.2	
Fuel oil & water	67.3	65.5	53.0	27.1	47.5	41.8	Higher bunker costs on the back of recovery in crude prices
Hire of chartered ships & equip	17.4	28.1	28.7	-39.4	19.2	-9.5	
Other expenses	180.5	229.3	225.8	-20.1	149.1	21.1	Repairs & maintenance expenses continue to remain low
EBITDA	328.2	463.3	424.4	-22.7	386.6	-15.1	Lower operating revenues coupled with softness in margins resulted decline in EBITDA
EBITDA Margin (%)	44.0	49.5	48.4	-444 bps	51.6	-763 bps	
Depreciation	351.8	180.3	178.6	97.0	198.8	77.0	
Interest	115.1	71.2	70.5	63.2	89.7	28.3	
Other income	23.5	91.7	90.8	-74.2	64.6	-63.7	
Extra-ordinary gain/loss	104.6	0.0	-176.4	-159.3	106.6	NA	Accounting for forex currency MTM gains
Total Tax	23.6	18.2	31.5	-25.2	31.0	1.7	
PAT	-34.2	285.3	58.2	-158.7	238.4	-114.3	

Key Metrics	Q4FY17	Q4FY16	YoY	Q3FY17	QoQ	
Shipping	622.8	551.7	12.9	569.4	9.4	Recovery in dry bulk supported the growth
Offshore	262.0	418.5	-37.4	357.5	-26.7	Offshore utilisation levels continue to remain at all-time low
Revenue Days (Shipping)	3,713.0	2,659.0	39.6	3,428.0	8.3	
Revenue Days (Offshore)	1,568.0	1,918.0	-18.2	1,723.0	-9.0	

Source: Company, ICICIdirect.com Research

Change in estimates

(` Cr)	FY17	FY18E		% Change	FY19E		% Change	Comments
		Old	New		Old	New		
Revenue	3,116.9	3,362.6	3,378.4	0.5	3,583.3	3,599.2	0.4	Slower-than-expected recovery in offshore and tanker rates
EBITDA	1,609.2	1,656.0	1,671.8	1.0	1,763.8	1,779.7	0.9	
EBITDA Margin (%)	51.6	49.2	49.5	24 bps	49.2	50.1	91 bps	Maintain estimates
PAT	755.0	1,038.4	789.3	-24.0	1,057.7	832.5	-21.3	Impact of impairment and higher interest costs
EPS (`)	50.1	68.9	52.3	-24.0	70.1	55.2	-21.3	

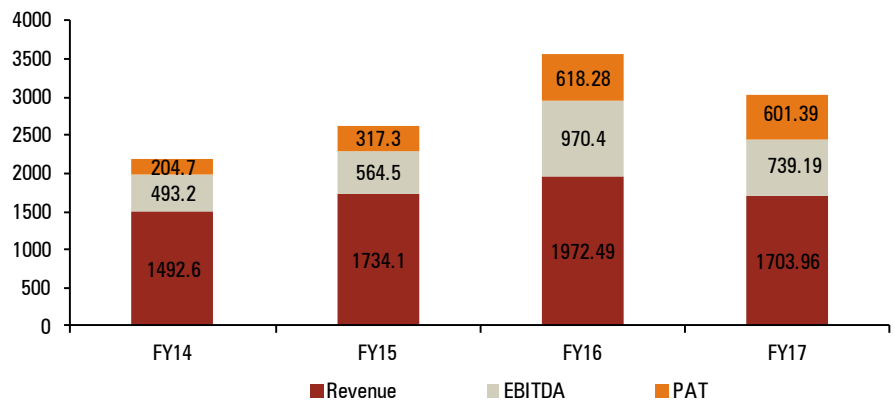
Source: Company, ICICIdirect.com Research

Company Analysis

Tanker rates continue to remain awful; dry bulk provides respite...

The revival in crude oil prices continues to remain key for tanker rates. Crude prices continue to remain subdued despite production cut efforts by Opec members. The shale gas revolution in the US coupled with not so aggressive commitment by Opec members to curb their output led the average crude prices to remain sticky at around \$50 per barrel. Crude and product tankers fleet grew 3.28% and 10.59%, respectively, in CY16. During the quarter, BDTI touched a three-year high of 1088 in January 2017 and corrected back to 846 while BCTI touched a five-year high of 867 in January 2017 and corrected back to 580. In terms of global fleet addition, crude and product tanker segment tonnage capacity increased at ~5% CAGR in 2007-16. Given the industry realised the best ever rates in FY15, the tapering of rates would continue in anticipation of higher rates for newer deliveries in CY17. For the first four months, additions in the product and tanker segments were at 8.5 million DWT and 2.6 million DWT, respectively. The dry bulk segment benefited from disruption in Queensland, which was replaced by long haul travelling from the US east coast and Canada. The revival in BDI resulted in lower scrapping, which was at 4 million DWT as in YTD CY17 compared to 18 million DWT in the same period of the previous year. Consequently, freight rates continue to remain subdued with a cautious stance ahead.

Exhibit 1: Shipping segment trend



Source: Company, ICICIdirect.com Research

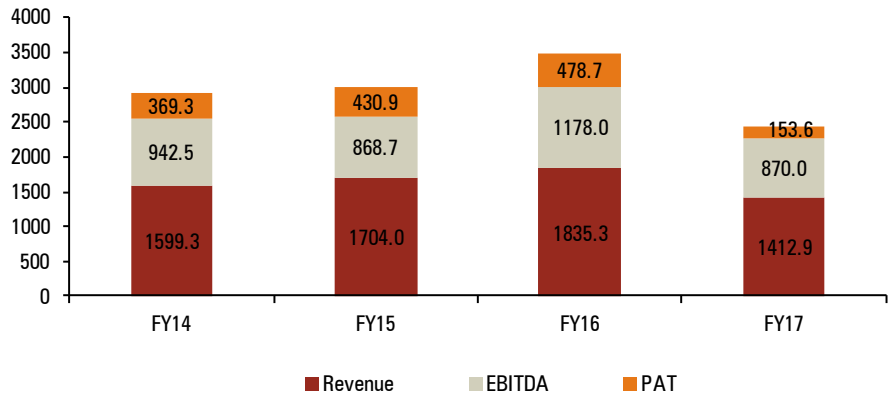
The shipping business for FY17-18 has revenue visibility of ~₹ 487 crore. Of the total number of fleet operating days, crude and product carriers (including gas) are covered to the extent of 26% and 28%, respectively, whereas the dry bulk segment is covered till 35% of fleet's operating days

Offshore segment continues to witness turbulent times...

GE Shipping through its subsidiary Greatship Ltd operates 23 offshore vessels, which includes four jack-up rigs, four platform support vessels, eight AHTSV, two MPSSV and five ROVSVs. With drilling demand continuously declining since the peak in 2014, offshore fleet utilisation levels continued to stay at historically low levels of 55%. On the demand front, with crude prices falling sharply since 2014, offshore E&P spending has also come off significantly. The year CY16 realised a double-digit decline in drilling demand, which resulted in day rates for both AHTS & PSV coming off by 45-50%. The dry run in crude prices is expected to keep a tab on capital expenditure of global E&P companies.

Exhibit 2: Offshore segment

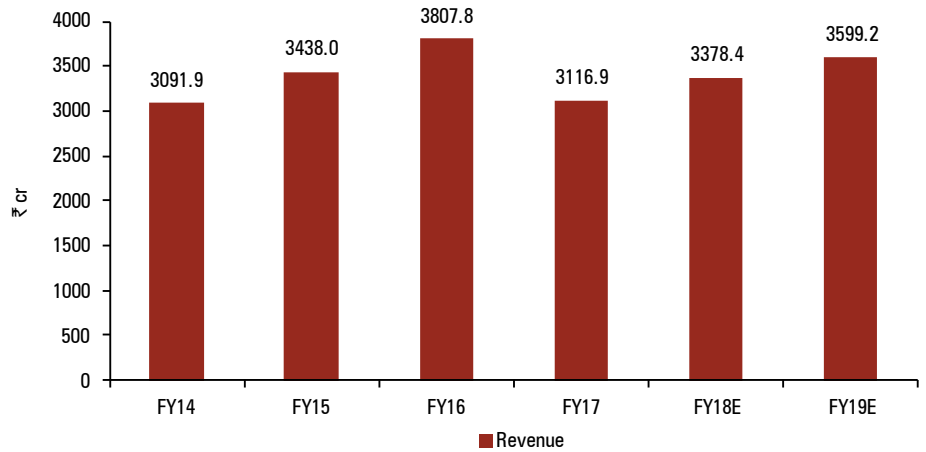
On the offshore front, revenue visibility was at ₹ 987.7 crore for FY17-18. The fleet is grossly under covered to the extent of 32% and 49% in PSV and ROVSV, respectively. However, coverage of AHTSV, MPSSV and jack-up rigs was at 100%, 69% and 70%, respectively



Source: Company, ICICIdirect.com Research

Exhibit 3: Topline performance trend

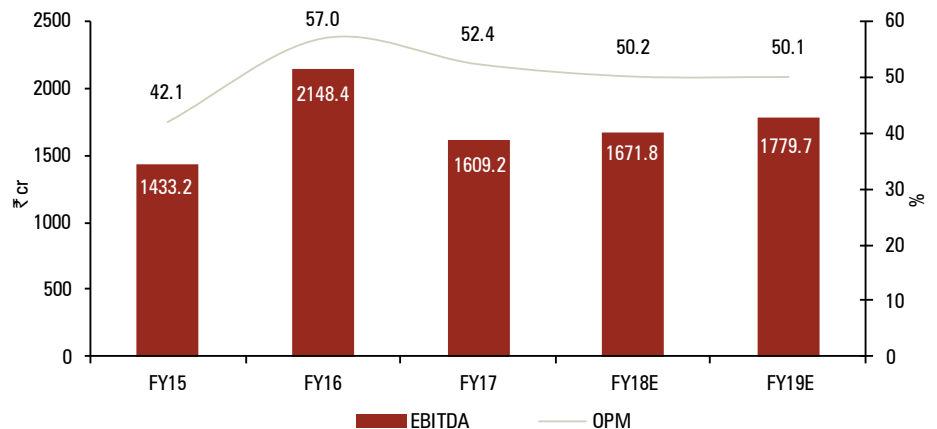
Total revenues is expected to grow at a modest pace of a CAGR of 7.5% in FY17-19E to ₹ 3599 crore in FY19E compared to current ₹ 3116.9 crore



Source: Company, ICICIdirect.com Research

Exhibit 4: EBITDA performance trend

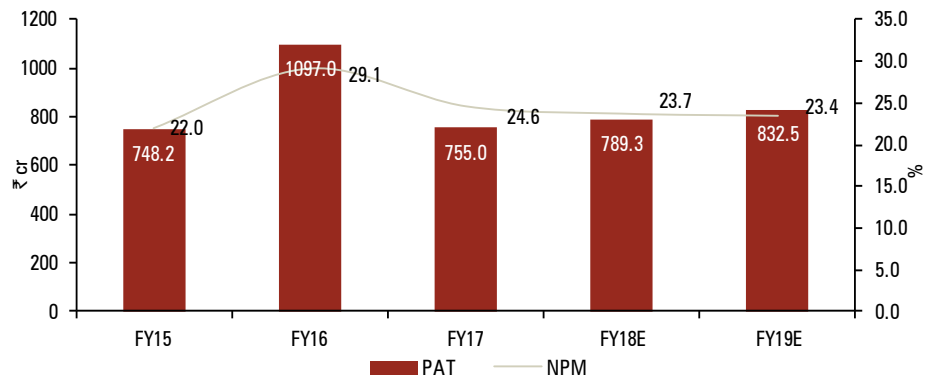
EBITDA is expected to grow at mere 5% CAGR in FY17-19E to ₹ 1779.7 crore in FY19E compared to current ₹ 1609.2 crore. Margins are expected to remain range-bound around 50-52%



Source: Company, ICICIdirect.com Research

PAT is expected at ₹ 832.5 crore; growth of 5% CAGR in FY17-19E

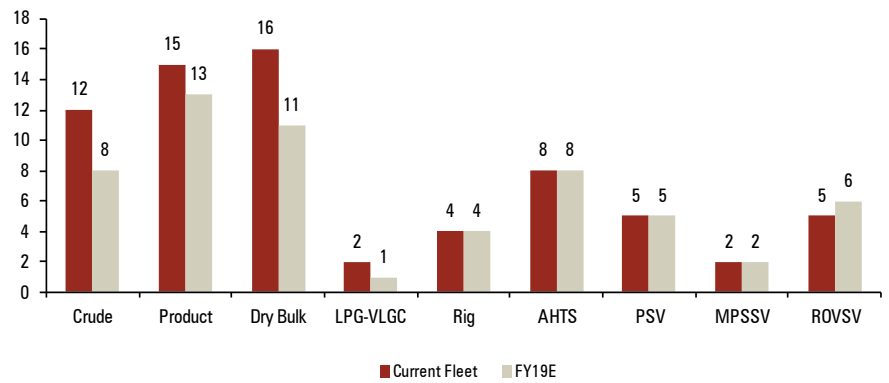
Exhibit 5: PAT performance trend – Shipping & offshore



Source: Company, ICICIdirect.com Research

The company as on FY17 is holding highest ever fleet size in terms of DWT

Exhibit 6: GE Shipping fleet



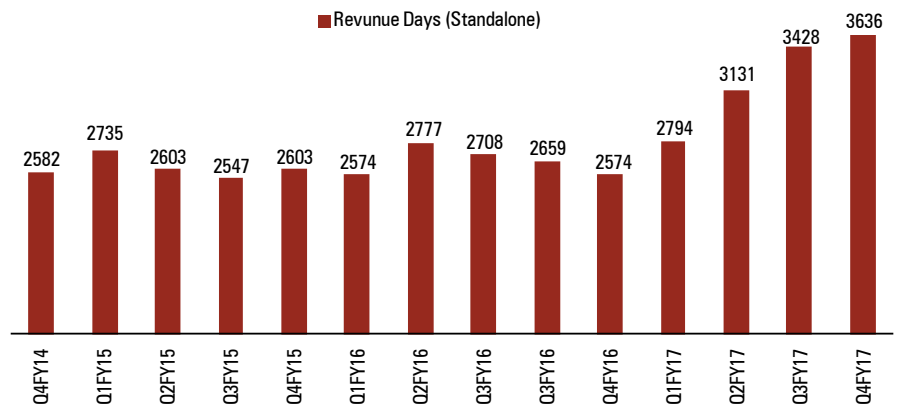
Source: Company, ICICIdirect.com Research

Exhibit 7: Vessels on order

Vessel Type	Approx Dwt	Expected Delivery	Built at
2006 built Supramax Drybulk Carrier	52,450	Q1FY18	Tsuneishi Heavy Industries (Cebu), Inc

Source: Company, ICICIdirect.com Research

Exhibit 8: Owned revenue days indicating uptake..

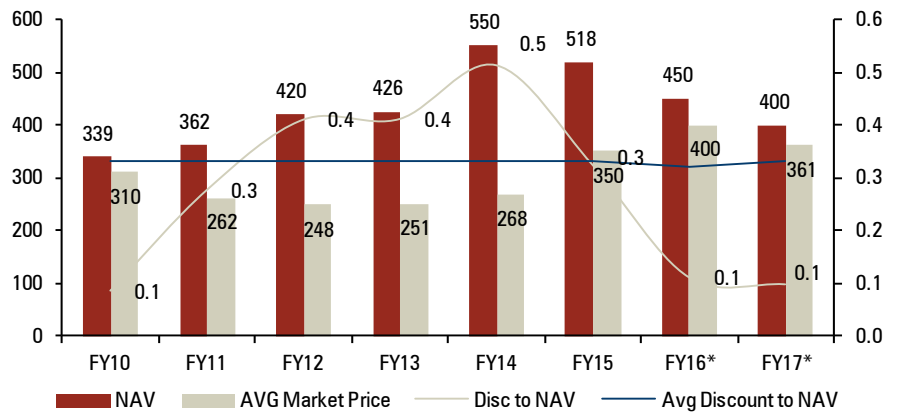


Source: Company, ICICIdirect.com Research

Impairments in offshore impacting consolidated NAV...

In terms of net asset value, over the past 10 years (FY05-14) GE Shipping recorded an average NAV of ₹ 560 on a consolidated basis with a peak of ₹ 632 in FY08. However, since the crisis, NAV declined at a CAGR of ~8% over FY08-13 as asset prices plummeted globally. However, on the back of steady seaborne trade growth at a CAGR of 5% in 2012 and 2014, asset prices had increased. Prices climbed sharply in FY13-14 posting growth of 30% YoY against an average of 8% in the past three years (FY11-13). In Q2FY16, NAV was at ₹ 565, which sequentially improved from ₹ 518 in FY15. GE Shipping's average market price has always traded at a discount to its NAV. However, given the current volatility in the offshore markets, the management, in the past six quarters, was unable to share consolidated NAV numbers. Standalone NAV was at ₹ 321. The management has guided a range of consolidated NAV in a range of ₹ 375-440.

Exhibit 9: NAV to market price discount



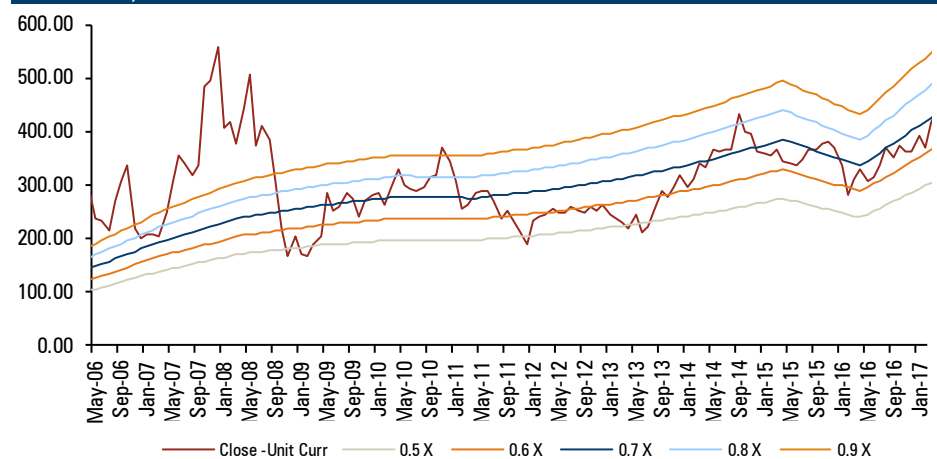
Source: Company, ICICIdirect.com Research, * expected numbers

Valuation

In FY17, GE Shipping raised ~₹ 900 crore via issuance of unsecured non-convertible debentures (NCDs). In addition, the company prefers to hold ~₹ 2000 crore of cash. This additional liquidity will give the company financial muscle to buy and sell assets on a timely basis, which remains key to GE Shipping's stable financial performance in spite of being in a cyclical industry. The composition of the fleet (crude, dry bulk, offshore) has mostly been balanced and in line with the market outlook for specific segments. The company has not shied away from reducing exposure to a segment that has a depressed outlook and adding vessels from a segment where the prospects are better. All this has been achieved with a moderate leverage compared to its peers who have been at the wrong end of the asset purchase/sale cycle or over aggressive on a specific segment resulting in fleet concentration and, thereby, highly volatile earnings. We believe GE Shipping would continue its consistent performance on the back of a diversified fleet profile. Its presence in the high margin offshore segment would enable it to have revenue visibility, going ahead, and reduce volatility in revenues and cushion its earnings.

Rates for the tanker segment have tapered over FY17. However, dry bulk continued to remain stable over the past year. Going ahead, charter rates for dry bulk are expected to remain range-bound on the back of lower scrapping. Offshore is expected to continue to dent the future prospects of the company. The average P/BV multiple for GE Shipping was 0.64x in FY14 against 0.57x in FY13. Going ahead, as the overall outlook remains bleak we continue to value GE Shipping at 0.5x P/BV on revised estimated book value of ~₹ 660. Subsequently, we arrive at a fair price of ₹ 330 and have a **SELL** recommendation on the stock.

Exhibit 10: P/BV trend



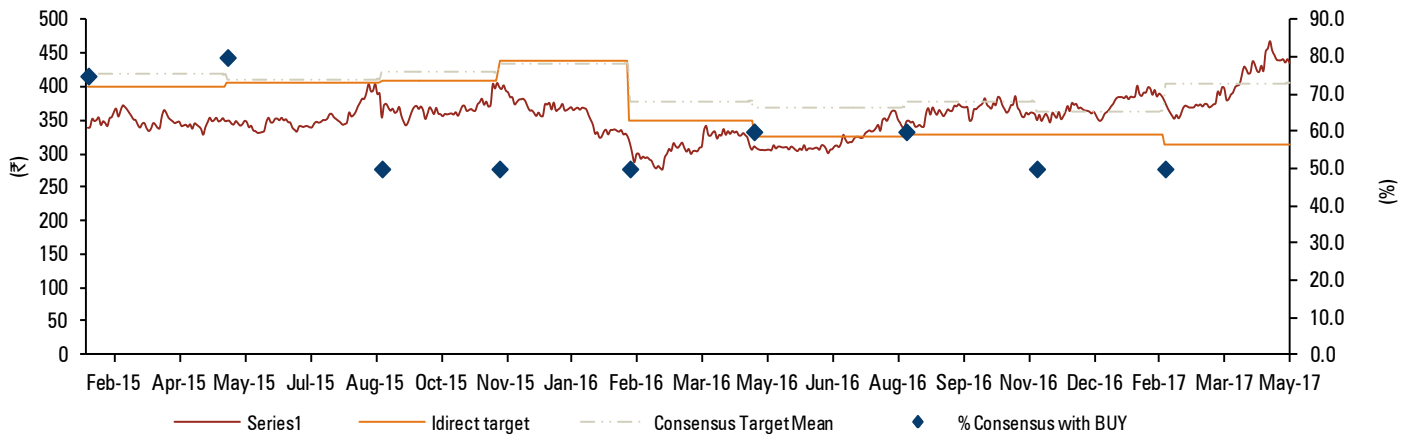
Source: Company, ICICIdirect.com Research

Exhibit 11: Valuations

	Sales (₹ cr)	Sales Growth (%)	EPS (₹)	EPS Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY15	3438.0	11.2	49.6	30.4	7.1	5.6	10.1	6.3
FY16	3807.8	10.8	72.8	46.6	4.9	3.6	13.2	11.6
FY17E	3116.9	-18.1	50.1	-31.2	7.1	4.2	10.5	7.0
FY18E	3378.4	8.4	52.3	4.6	6.8	4.5	8.4	6.1
FY19E	3599.2	6.5	55.2	5.5	6.4	3.4	8.4	6.8

Source: Company, ICICIdirect.com Research

Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Feb-11	Finance Ministry allows duty free import of spare parts to ship owners
Apr-11	GE Shipping sells three VLCCs under construction of 318,000 dwt each and mulls focusing on lucrative offshore segment; BDI falls 50% in six months
Nov-11	Sharp decline in profit of 84% YoY in Q2FY12
Jul-12	GE Shipping plans to buy VLGC of about 49,700 dwt of 1990 built and is expected to join the fleet in Q2FY13
Aug-13	GE Shipping announces buy back of shares @ ₹ 279 to the aggregate amount of ₹ 279 crore
Sep-13	Order of offshore rig (delivery 2015), taken delivery of medium range product tanker "Jag Pranav"
Oct-13	RBI restricts FII purchase on GE Shipping after it triggers limit of 24%; GE Shipping contracts to build three new Kamsarmax ships
Jun-15	In Q1FY16 results, reports best ever EBITDA margins 30.3%, since FY10
Nov-15	In Q2FY16, revenues grow 9% with EBITDA margins at 57%
Feb-16	In Q3FY16, revenues grow 8% YoY. EBITDA margins at 54%. BDI at lowest level of less than 300
May-16	Reports Q4FY16 results. Revenue remains flattish. EBITDA margins at 48%. Guided softness in offshore segment
Aug-16	Reports Q1FY17 results. Shipping and offshore continue to remain soft. Revenues de-grew 16% YoY. EBITDA margins at 55%
Oct-16	Reports Q2FY17 results. Revenues de-grew 21%. EBITDA margins at 54%. Offshore segment continues to remain weak. Raised ₹ 400 crore via NCDs
Jan-17	Reports Q3FY17 results. Shipping grows 6% while offshore declines 23% YoY. EBITDA margins at 51.6%. Raises additional ₹ 500 crore via NCDs
May-17	Reports Q4FY17 results. Shipping grew 13% while offshore declines 34% YoY. EBITDA margins at 44%. Posts a loss of ₹ 34.2 crore

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Sheth (Bharat Kanaiyalal)	20-Mar-17	0.10	15.7	0.9
2	Sheth (Ravi Kanaiyalal)	20-Mar-17	0.10	15.26	0.90
3	ICICI Prudential Asset Management Co. Ltd.	28-Feb-17	0.09	14.12	0.02
4	Nalanda Capital Pte Ltd	31-Dec-16	0.07	10.52	0.00
5	Fidelity Management & Research Company	31-Mar-17	0.04	6.40	(0.02)
6	SBI Funds Management Pvt. Ltd.	31-Dec-16	0.04	5.62	0.22
7	Laadki Trading & Investment, Ltd.	20-Mar-17	0.04	5.52	0.90
8	ICICI Prudential Life Insurance Company Ltd.	31-Dec-16	0.04	5.51	0.00
9	UTI Asset Management Co. Ltd.	28-Feb-17	0.02	3.39	0.00
10	General Insurance Corporation of India	31-Dec-16	0.02	3.24	0.00

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Mar-16	Jun-16	Sep-16	Mar-17
Promoter	30.4	30.4	30.2	30.2
FII	5.8	6.8	23.2	23.4
DII	36.8	35.3	19.2	19.5
Others	27.0	27.4	27.4	26.9

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Mulji (Sachin)	6.16	1.11	Sheth (Kanaiyalal Maneklal)	-11.45	-1.78
Sheth (Bharat Kanaiyalal)	5.79	0.90	Sheth (Jyotsna Kanaiyalal)	-5.92	-0.92
Laadki Trading & Investment, Ltd.	5.79	0.90	First State Investments (Singapore)	-2.96	-0.56
Sheth (Ravi Kanaiyalal)	5.79	0.90	Taurus Asset Management Co. Ltd.	-0.23	-0.04
Mulji (Gopali)	2.44	0.44	Nanavati (Anjali Ajay)	-0.14	-0.02

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17P	FY18E	FY19E	
Total operating Income	3,807.8	3,116.9	3,378.4	3,599.2	
Growth (%)	10.8	-18.1	8.4	6.5	
Employee Expenses	592.4	596.8	599.4	639.1	
Fuel, Oil & Water	287.9	192.8	233.1	248.5	
Hire of Chartered ships	105.8	89.8	108.2	115.4	
Spares & Stores	203.1	196.2	216.4	230.8	
Repairs & maintenance	90.90	90.43	149.85	159.76	
Other	379.3	341.7	399.6	426.0	
Total Expenditure	1,659.4	1,507.7	1,706.6	1,819.5	
EBITDA	2,148.4	1,609.2	1,671.8	1,779.7	
Growth (%)	49.9	-25.1	3.9	6.5	
Depreciation	607.9	677.9	772.8	795.3	
Interest	287.8	377.6	366.6	318.3	
Other Income	133.4	189.4	208.2	204.6	
PBT	1,386.1	743.0	740.6	870.7	
Extraord Income / (Exp)	-14.7	322.9	161.4	80.7	
Total Tax	110.7	126.6	112.8	118.9	
PAT	1,097.0	755.0	789.3	832.5	
Growth (%)	46.6	-31.2	4.6	5.5	
EPS (₹)	72.8	50.1	52.3	55.2	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17P	FY18E	FY19E	
Profit after Tax	1,097.0	755.0	789.3	832.5	
Add: Depreciation	607.9	677.9	772.8	795.3	
(Inc)/dec in Current Assets	72.3	14.5	-137.5	-44.7	
Inc/(dec) in CL and Provisions	-228.7	-324.0	560.5	41.2	
Others	0.0	250.0	250.0	250.0	
CF from operating activities	1,836.3	1,750.9	2,601.7	2,192.6	
(Inc)/dec in Investments	-11.9	41.0	-22.5	0.0	
(Inc)/dec in Fixed Assets	-719.3	-1,299.6	-1,351.1	-395.3	
Others	0.0	0.0	0.0	0.0	
CF from investing activities	-731.2	-1,258.6	-1,373.6	-395.3	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	-532.4	-400.0	700.0	-750.0	
Dividend paid & dividend tax	-374.4	-158.8	-158.8	-158.8	
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0	
Others	334.3	1,285.9	-1,485.7	121.7	
CF from financing activities	-860.2	349.5	-1,311.0	-1,105.3	
Net Cash flow	244.9	841.8	-82.9	692.0	
Opening Cash	2,380.1	2,625.0	3,466.8	3,383.9	
Closing Cash	2,625.0	3,466.8	3,383.9	4,075.9	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17P	FY18E	FY19E	
Liabilities					
Equity Capital	150.8	150.8	150.8	150.8	
Reserve and Surplus	8,133.1	7,072.6	9,210.4	9,809.2	
Total Shareholders funds	8,283.9	7,223.3	9,361.2	9,959.9	
Total Debt	4,930.2	5,965.6	5,230.2	4,480.2	
Long Term Provisions	37.6	41.8	41.8	41.8	
Minority Int / Others	0.0	0.0	0.0	0.0	
Total Liabilities	13,251.7	13,230.7	14,633.2	14,482.0	
Assets					
Gross Block	15,673.3	15,636.7	17,673.3	17,673.3	
Less: Acc Depreciation	4,655.0	5,332.9	6,105.7	6,901.0	
Net Block	11,018.3	10,303.9	11,567.6	10,772.3	
Capital WIP	0.0	21.7	0.0	0.0	
Total Fixed Assets	11,018.3	10,325.6	11,567.6	10,772.3	
Oth non-current assets	426.3	70.2	197.3	55.1	
Investments	44.5	3.5	26.0	26.0	
Inventory	113.2	144.8	136.8	145.9	
Debtors	320.6	208.9	319.3	340.4	
Loans and Advances	90.2	0.0	200.7	214.0	
Other Current Assets	992.9	1,055.5	1,406.6	1,498.6	
Cash	2,625.0	3,466.8	3,383.9	4,075.9	
Total Current Assets	4,141.9	4,876.0	5,447.4	6,274.8	
Creditors	223.6	191.2	273.7	291.8	
Oth liab and provisions	2,156.2	1,864.6	2,342.6	2,365.7	
Total Current Liabilities	2,379.8	2,055.8	2,616.3	2,657.5	
Net Current Assets	1,762.0	2,820.2	2,831.1	3,617.3	
Others Assets	0.6	11.2	11.2	11.2	
Application of Funds	13,251.7	13,230.7	14,633.2	14,482.0	

Source: Company, ICICIdirect.com Research

Key ratios					
(Year-end March)	FY16	FY17P	FY18E	FY19E	
Per share data (₹)					
EPS	72.8	50.1	52.3	55.2	
Cash EPS	113.1	95.0	103.6	108.0	
BV	549.4	479.1	620.9	660.6	
DPS	31.2	13.6	13.6	13.6	
Cash Per Share	174.1	229.9	224.4	270.3	
Operating Ratios (%)					
EBITDA Margin	57.0	52.4	50.2	50.1	
PBT / Total Operating income	36.4	23.8	21.9	24.2	
PAT Margin	29.1	24.6	23.7	23.4	
Inventory days	10.9	17.0	15.0	15.0	
Debtor days	31.0	24.8	35.0	35.0	
Creditor days	21.4	22.4	30.0	30.0	
Return Ratios (%)					
RoE	13.2	10.5	8.4	8.4	
RoCE	11.6	7.0	6.1	6.8	
RoIC	10.4	7.7	7.0	8.0	
Valuation Ratios (x)					
P/E	4.9	7.1	6.8	6.4	
EV / EBITDA	3.6	4.2	4.5	3.4	
EV / Net Sales	2.0	2.2	2.2	1.7	
Market Cap / Sales	1.4	1.8	1.7	1.6	
Price to Book Value	0.6	0.7	0.6	0.5	
Solvency Ratios					
Debt/EBITDA	2.3	3.7	3.1	2.5	
Debt / Equity	0.6	0.6	0.6	0.4	
Current Ratio	1.7	2.4	2.1	2.4	
Quick Ratio	18.0	24.7	19.4	21.0	

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Shipping)

Sector/Company	CMP (₹)	TP (₹)	Rating	Mcap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY17P	FY18E	FY19E	FY17P	FY18E	FY19E	FY17P	FY18E	FY19E	FY17P	FY18E	FY19E	FY17P	FY18E	FY19E
G.E Shipping	415	330	SELL	6,257.4	50.1	52.3	55.2	7.1	6.8	6.4	4.2	4.5	3.4	7.0	6.1	6.8	10.5	8.4	8.4
SCI	80	55	SELL	3,726.4	1.2	3.3	4.2	59.8	18.8	15.0	9.0	7.3	6.3	0.7	1.9	2.1	0.7	2.2	2.7
Dredging Corp Ltd.	650	480	HOLD	1,820.0	9.7	26.7	40.1	66.9	24.4	12.0	19.6	14.1	10.3	5.1	7.0	8.2	1.6	4.2	6.0

Source: Company, ICICIdirect.com Research

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