

Issue Highlights

- Incorporated in 1934 as Mazagon Dock Private Limited, the company's name was subsequently changed to Mazagon Dock Shipbuilders Limited (MDL) in 2015.** MDL is a defence public sector undertaking shipyard with a Mini-ratna-I' status granted in 2006, by the DPE. With a maximum shipbuilding and submarine capacity of 40,000 DWT, the company is engaged in the construction and repair of warships and submarines for the MoD for use by the Indian Navy and other vessels for commercial clients. Its major business divisions include (a) shipbuilding and (b) submarine and heavy engineering.
- Only public sector defence shipyard constructing conventional submarines:** MDL is mainly engaged in the defence shipbuilding segment catering to the needs of the Ministry of Defence. As per CRISIL report, it is the only shipyard in India to have built destroyers and conventional submarines for the Indian Navy. MDL has enhanced its capability of handling construction of conventional submarines as it has in the past built 2 SSK submarines, and modernized & refitted 4 SSK submarines. Having delivered 2 of the Scorpene submarines, INS Kalvari and INS Khanderi to the MoD, the company along with the Naval Group have trained its workforce in relation to the construction of such submarines.
- Strategic location of facilities :** MDL's shipyard is strategically located in Mumbai on the west coast of India, which is a busy maritime route connecting Europe, West Asia and the Pacific Rim. Being present in Western India gives access to clients and vendors ensuring closer co-ordination. Further, majority of the sub-contractors being located near Mumbai provides access to work force. Thus the location provides a competitive advantage vs peers.
- World class infrastructure:** MDL has completed modernisation project which comprised of a new wet basin, goliath cranes, module workshop, cradle assembly shop, store building and associated ancillary structures, which would help in reducing the build period. Post modernisation project the capacity of warships has increased from 8 to 10 warships and 6 to 11 submarines. Both the divisions Shipbuilding and Submarine & Heavy Engineering are ISO 9001:2015 certified.
- Strong order book and track record:** MDL's revenues have grown 1.4x between FY17 to FY 20 to Rs 4,978 cr, while it has continuously posted profits in the last four years.. The company has a strong order book of Rs 54,074 cr comprising of three major shipbuilding projects and two submarine projects which provides revenue visibility over next 6-7 years.
- COVID-19 impact on business:** MDL's business operations were temporarily disrupted (with the exception of maintenance of essential services) from March 21, 2020 to June 07, 2020. MDL resumed operations from June 08, 2020 in a phased manner as per the Government directives.
- Expansion plans :** The company is exploring developing a greenfield shipyard at Nhava, Navi Mumbai spread over an area of 37 acres. Further, the company plans to acquiring additional land adjacent to its current location, belonging to MbPT for setting up of new facilities.

Financial Summary

(Rs. Cr)	FY17	FY18	FY19	FY20
Total Revenues	4,275	5,028	5,205	5,535
EBITDA	882	712	852	826
Net Profit	598	496	532	477
EPS (Rs.)	24.0	20.6	23.8	21.4
ROE (%)	20.0	17.5	16.6	15.5
DPS (Rs)	80	11	4	11

Source: Figures as stated in RHP, Axis Research

Issue highlights

Issue size: Rs 413 – 444 crore
Offer for Sale: 30,599,017 shares
Face value: Rs 10
Price band: Rs 135 – Rs 145
Bid Lot : 103 Shares

Issue summary

Issue opens: Sept 29, 2020
Issue closes: Oct 01, 2020
Lead managers: Axis Capital, Yes Securities, Edelweiss Financial Services, JM Financial, IDFC Securities
Registrar: Alankit Assignments Limited.

Indicative Timetable

Activity	est date
Final of Basis of Allotment	07-10-20
Refunds/Unblocking ASBA Fund	08-10-20
Credit of Eq.shares to Demat	09-10-20
Listing/ trading commences	12-10-20

Post Issue expected M Cap Rs Cr

Rs 2,723 Cr – Rs 2,925 Cr

- Lower Price Band/ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	100	85
Public	0	15
Total	100.0	100.0

Equity Shares Pre & Post Issue

No. of shares 201,690,000

Issue break-up

Category	Shares (in cr)	% of issue
QIB	1,51,26,750	49
Non-Institutional	45,38,025	15
Retail	1,05,88,725	35
Employees	3,45,517	1
Total	3,05,99,017	100

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Company Back ground

Incorporated in 1934 as Mazagon Dock Private Limited, the company's name was subsequently changed to Mazagon Dock Shipbuilders Limited (MDL) in 2015. MDL is a defence public sector undertaking shipyard with a Mini-ratna-'I' status granted in 2006, by the DPE. With a maximum shipbuilding and submarine capacity of 40,000 DWT, the company is engaged in the construction and repair of warships and submarines for the MoD for use by the Indian Navy and other vessels for commercial clients. Its major business divisions include (a) shipbuilding and (b) submarine and heavy engineering. MDL India's only shipyard to have built destroyers and conventional submarines for the Indian Navy.

Key Management Personnel

- **Narayan Prasad (CMD):** He has previously served in the Indian Navy for over 36 years. He has been awarded Ati Vishisht Seva Medal and Nav Sena Medal for his service to the Indian Navy. He has held several assignments afloat and onboard such as INS Rana, INS Ranjit and INS Talwar and chief staff officer (technical)/ headquarter eastern naval command, admiral superintendent of Naval Dockyard, Vishakapatnam, assistant chief of material (nuclear systems maintenance). He has also served the post of director general of naval project at Visakhapatnam.
- **Jasbir Singh (Director -Submarine & Heavy Engineering).** He has been associated with the Company for over a decade. He has previously served in the Indian Navy for over 22 years and has held several assignments afloat and onboard such as INS Mumbai and INS Kuthar and various appointments in warship overseeing team, Directorate of Naval Design, Directorate of Ship Production and Naval Dockyard, Vishakhapatnam.
- **Sanjeev Singhal (Director-Finance).** He has over 32 years of experience in finance and accounting. Previously he was associated with Mishra Dharu Nigam as Director Finance and with SAIL in the finance & accounts department. He has been associated with the company since January, 2020.
- **T V Thomas is the Director (Corporate Planning and Personnel).** Previously, he has served in the Indian Navy for over 28 years and has held several assignments both afloat and ashore including as engineer officer of INS Viraat, executive officer of INS Shivaji and command engineer officer of Southern Naval Command. He has been associated with the company since May 2013.
- **Anil K Saxena(Director-Shipbuilding).** Previously, he has served in the Indian Navy for about 35 years in various capacities such as warship production superintendent of the warship overseeing team, Mumbai and as director general of naval design. He has also held appointments in the directorate of naval architecture and directorate of ship production of Indian Navy. He has also served in both Naval Dockyard at Mumbai and Vishakhapatnam.

Business Overview

- Major business divisions :** The **Ship Building** includes the building and repair of naval ships. Currently MDL is building four P-15 B destroyers and four P-17A stealth frigates and undertaking repair and refit of a ship for the MoD for use by the Indian Navy. The **Submarine And Heavy Engineering Division** includes building, repair and refits of diesel electric submarines. Currently, the company is building/ in the process of delivering four Scorpene class submarines under a transfer of technology agreement with Naval Group as well as one medium refit and life certification of a submarine for the MoD for use by the Indian Navy. The shipbuilding & submarine and heavy engineering divisions are both ISO 9001:2015 certified.

Over the last 18 years the total number of orders for vessels received and delivered by the company as as below:

Division	Shipbuilding	Submarine and heavy engineering
Orders Received	15 [^]	10 [#]
Orders Delivered	27	5 [#]

Source: RHP [^] includes refit and repairs of the ships, [#] includes refit and repairs of the submarines.

Divisionwise Revenue contribution

Year	Shipbuilding (Rs Cr)	% of total	Submarine and Heavy Engg (Rs Cr)	% of total	Others* (Rs Cr)	Total (Rs Cr)
FY17	1,155	32.8	2,360	67.1	4	3,519
FY18	2,110	47.2	2,357	52.7	3	4,470
FY19	2,469	53.5	2,138	46.3	6	4,614
FY20	3,477	69.8	1,494	30.0	7	4,978

Source: RHP

Product Offerings: Shipbuilding

- P17 Frigates / P17A Frigates :** MDL constructed and delivered three Shivalik class frigates for the MoD for use by the Indian Navy. The P17 frigates are multi role frigates and first-of-its kind warships built in India incorporating stealth features. The P17A frigate is a design derivative of the Shivalik class stealth frigates with much more advanced stealth features and indigenous weapons and sensors. Currently building 4 P17A frigates .
- P15A/ P15B Destroyers:** MDL recently constructed and delivered 3 P15A destroyers for use by the Indian Navy. These are used to co-ordinate a task force in exerting sea control in a multi-threat environment. P15B are improved version destroyers with advanced features; currently 4 are under **various stages of construction**
- Multipurpose Support Vessels:** Two multipurpose support vessel designed for diesel fuel, fresh water and deck cargo carriage, ROV operations and for azimuth thruster operation were constructed and delivered by MDL for its overseas clients.

Product Offerings: Submarine and Heavy Engineering:

- SSK Submarines:** MDL has constructed two Shishumar class submarines and have also undertaken medium refit of four submarines of Shishumar class.
- Scorpene Submarines:** MDL is currently building/ in the process of delivering four Scorpene submarines as part of Project 75 pursuant to a transfer of technology partnership with Naval Group.
- MDL has built a total of 795 vessels including 25 warships, from advanced destroyers to missile boats and three submarines, since 1960. It has also delivered cargo ships, passenger ships, multipurpose support vessels, water tankers, supply vessels, fishing trawlers, tugs, dredgers, barges and border outposts for various customers in India as well as abroad.

Major Warships built & delivered by MDL	Numbers
Leander class frigates	6
Godavari class frigates	3
Corvettes	3
missile boats	4
destroyers	6
submarines	3
Shivalik class frigates	3
Offshre Patrol Vehicles	7

Source: RHP

- MDL has built Leander class frigates, Godavari class frigates, corvettes, missile boats, destroyers, submarines and three Shivalik class frigates for the MoD for use by the Indian Navy and constructed and delivered seven offshore patrol vessels to the Indian Coast Guard. MDL has also fabricated and delivered jackets, main decks of wellhead platforms, process platforms and jack up rigs, etc.

Modernisation programme

- Presently, all Indian warships and submarines under construction are being built in Indian shipyards, The government has introduced a modernisation programme for DPSUs. MDL has undertaken the modernisation programme at a cost of Rs 900 cr (of which Rs 800 cr was provided by Government of India and the rest from internal accrual. Following are the facilities being modernised:
 - ✓ Module workshop with two 50T EOT crane and retractable roof designed for fabrication of large hull blocks, substantially pre-outfitted within a covered environment.
 - ✓ Goliath crane with a capacity of 300 tonne with a span of 138 meter straddling over two slipways and the
 - ✓ module shop.
 - ✓ New wet basin equipped with about 27,000 sq. meters of area to accommodate two large frigates and two
 - ✓ submarines for outfitting.
 - ✓ Cradle assembly shop, used for fabrication and pre-outfitting of cradle structure in unit block assemblies.
- Post modernisation project the capacity of warships has increased from 8 to 10 warships and 6 to 11 submarines. The submarine-building capacity has further enhanced assembly workshop of 9,900 square meters. The workshop comprises of two bays, which will facilitate fabrication as well as assembly of submarine units simultaneously.

Strong order book

Particulars	Number	Client	Value Rs Cr
Shipbuilding			
P15B Destroyers	4	MoD	26,385
P17A Stealth Frigates	4	MoD	23,649
Repair, refit and services	4	MoD	11
Submarine and heavy engineering			
P75 Scorpene Submarines	4	MoD	3,202
Medium Refit and Life Certification (MRLC) of a submarine	1	MoD	827
Total Value of Order Book			54,074

Source: RHP

Strengths

- **Only public sector defence shipyard constructing conventional submarines:** MDL is mainly engaged in the defence shipbuilding segment catering to the needs of the Ministry of Defence. As per CRISIL report, it is the only shipyard in India to have built destroyers and conventional submarines for the Indian Navy. MDL has enhanced its capability of handling construction of conventional submarines as it has in the past built 2 SSK submarines, and modernized & refitted 4 SSK submarines.
- **Strategic location of facilities:** MDL's shipyard is strategically located in Mumbai on the west coast of India, which is a busy maritime route connecting Europe, West Asia and the Pacific Rim. Being present in Western India gives access to clients and vendors ensuring closer co-ordination. Further, majority of the sub-contractors being located near Mumbai provides access to work force. Thus the location provides a competitive advantage vs peers.
- **World class infrastructure & capabilities:** MDL's facilities with vast experience & expertise gives it a significant advantage over other domestic peers. The facilities currently comprise of three dry docks, two wet basins, three slipways, production shops, assembly shops, module shop with painting chamber for integrated construction, sheet metal shop, pipe shop, machine and fitting shop, ship dry dock and dredging, electrical repair shop and instrumentation shop for the shipbuilding division. Moreover, MDL also has a shore integration facility which enables the company to complete combat system integration off-site prior to onboard installation. They have also constructed a submarine assembly workshop which comprises of two bays and is equipped with two levels of EOT cranes as well as semi goliath cranes. It is one of the initial shipyards to manufacture Corvettes (Veer and Khukri Class) in India. It is also one of the ship builders for P17-A project for building next generation guided missile stealth frigates through collaboration with Fincantieri, Italy.
- **Strong order book and track record:** MDL's revenues have grown 1.4x between FY17 to FY 20 to Rs 4,978 cr, while Profits have declined from Rs 598 cr to Rs 477 cr. The company has a strong order book of Rs 54,074 cr comprising of three major shipbuilding projects and two submarine projects which provides revenue visibility over next 6-7 years.
- **Indigenisation of War ships:** MDL has successfully indigenised certain equipment such as sonar dome, ship installed chemical agent detection system, bridge window glass, main batteries for Scorpene submarines, multiple cable transit glands and remote controlled valves with various companies on a no cost no commitment basis. MDL has introduced an indigenization clause in all its tenders where bidders have to indicate their progressive indigenization plan. The indigenous content in warships built by MDL has increased in the past five years. The company has created the indigenisation fund for in compliance with the policy for indigenisation of components and spares used in defence platforms for DPSUs which was promulgated by the MoD. It has been assigned 40.52 acres of land by the Government of Kerala for setting up the National Institute of Warship/ Submarine design and Indigenisation Centre. Increase in indigenisation will help reduce cost and reliance on third party component manufacturers.

Strategies:

- **Focus on Exports:** The company in the past has exported our products to Mexico, France, Bahamas and Yemen. While MDL presently caters mainly to domestic defence sector it has identified certain defence and civil sectors for export of its products. It has entered into agreements with sales agents in order to procure customers for its products in the identified markets of Europe, Far East, South East Asia, Middle East, Indian Ocean Rim countries, Latin America and Africa regions. The company intends to increase its presence globally by establishing an international marketing team to identify potential markets for business growth.
- **Focus on ship repair:** While ship building & submarine contracts have long gestation period, the company plans to focus on ship repair activities. This will help diversify the revenue streams and result in early booking of revenues since repair contracts are relative of shorter duration. In the past MDL has undertaken ship repairs for its clients in the defence and commercial sectors. This will help generate more revenues, increase the client base and reduce our dependency on the MoD for future orders. The company is in the process of reviving our ship repair operations.
- **MDL is exploring of developing a greenfield shipyard at Nhava,** Navi Mumbai with a shiplift, wet basin, workshops, stores and buildings and a ship repair facility spread over an area of 37 acres which will be suitable for construction and repair of warships and commercial ships with larger dimensions. MDL has also entered into a contract for the repair, refit and services of a ship, with an intention of aiding growth in top-line & profitability.

- **Expansion and development of manufacturing facilities:** MDL plans to dredge the water front to a depth of 3.5 metres below chart datum and create a navigation channel from Angre wet basin to the offshore container terminal of MbPT which will enable it to move the vessels without depending on the tidal conditions throughout the year. The company is also exploring acquiring additional land adjacent its existing premises, belonging to MbPT for setting up of new facilities. This will augment the existing facilities and developments of future facilities will enable the company to deliver our products on or before the scheduled date of delivery and enable us to cater to future orders.

Risk Factors:

- **COVID-19 pandemic:** The company has been impacted due to shuts on account of COVID-19. Continuing environment remain uncertain with regards over all business sentiments and any further restriction may adversely impact the production of the company going forward.
- **Client concentration:** The company mainly depends on the MoD for defence orders and have mostly been awarded such orders on a nomination basis by the MoD for use by the Indian Navy. There is no assurance that future defence orders will be awarded to us by the MoD. Further any change in government policy may impact the business adversely.
- **Increasing competition:** The policies of the GoI have increased competition and there is no guarantee MDL will continue to be successfully awarded contracts by the GoI.
- **Imposition of liquidated damages and invocation of performance bank guarantees :** Any imposition of liquidated damages as well as invocation of performance bank guarantees and indemnity bonds for multiple or large programs could have an adverse effect on business, operations, revenues and earnings.

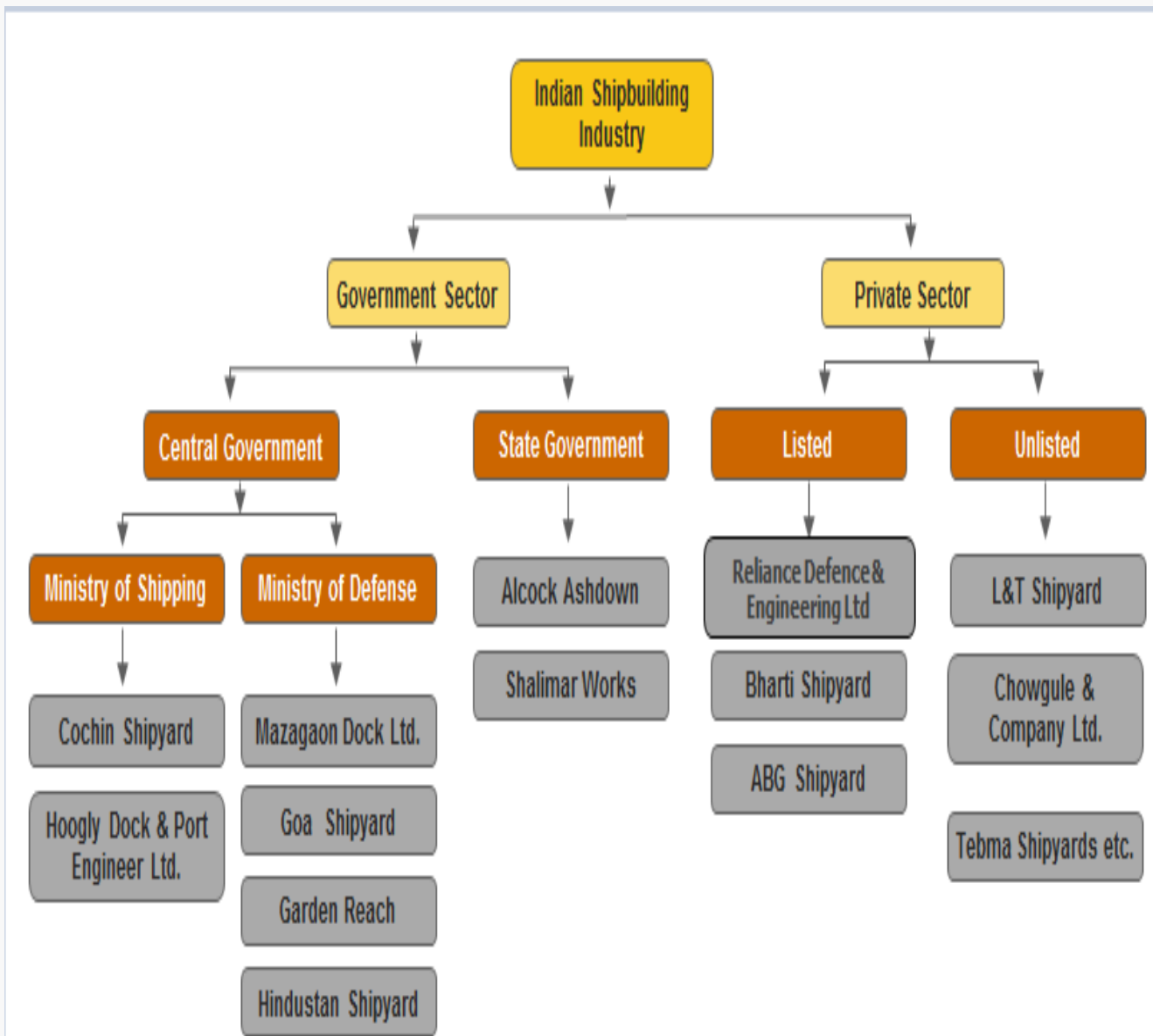
Industry Overview

The global ship building industry consists of building & modification of vessels, rigs and Ships. Broadly the ships are categorized into (a) Passenger carriers,(b) Offshore vessels,(c) Dry bulk carriers,(d) Tankers (Including LNG carriers),(e) Container ships and (f) Defence vessels . The average construction time required to build conventional vessel, i.e., a bulk carrier, tanker or container ship ranges from 15-18 months while (LNG) vessel and an offshore rig and support vessel takes 28-32 months. Internationally, China, South Korea and Japan dominate the industry due to advantage of cheap labour, competitive manufacturing and steel-making sectors, as well as government support. Current environment remains challenging for global shipbuilders, as international oil companies reduced capex and delayed / cancelled orders for drill ships and offshore production facilities.

Indian shipbuilding industry

Broadly the Indian shipbuilding industry can be divided into (a) Public sector shipyards and (b) Private shipyards. While based on construction of ships the industry can be classified into (i) Defence/naval crafts and coast guard vessels,(ii) Large ocean-going vessels catering to international and coastal trade and (iii) Medium-sized **specialised** vessels, such as port crafts, those for fishing, trawlers, offshore vessels, inland and other smaller crafts.

Classification of Indian shipbuilding industry



Source: RHP

Shipbuilding capacity of public and private shipyards by type of vessels

Name of player	Tanker	Dry cargo	Bulk carriers	Passenger/ Passenger cum- cargo ships	Product carriers	Other	Defence ships
Public sector	Y						
Alcock Ashdown (Gujarat)	Y	Y					
Cochin Shipyard Ltd (CSL)	Y	Y	Y	Y	Y	Y	Y
Hindustan Shipyard Ltd.(HSL)	Y	Y	Y	Y	Y	Y	Y
Hooghly Dock & Port Engineers Ltd. (HDPE)	Y		Y			Y	
Shalimar Works Ltd. (SWL)						Y	
Goa Shipyard Ltd. (GSL)							Y
Mazagon Dock Shipbuilders Ltd							Y
Garden Reach Shipbuilders & Engineers Ltd*(GRSE)							Y
Private sector							
ABG Shipyard Ltd	Y		Y			Y	
Bharati Defence & Infrastructure	Y	Y	Y	Y		Y	
Reliance Defence and Engineering		Y	Y	Y		Y	Y

Source: RHP, Ministry of Shipping, CRISIL Research; *Rajabagan Dockyard Limited, under Central Inland Water Transport Corporation, Kolkata merged with GRSE Kolkata w.e.f 1st July 2006

- Shipbuilding capacity:** During 2011-2016 the capacity of public sector shipyards remained fairly stable, while that of private sector was higher due to entry of new players. L&T started with a capacity of 30,000 DWT 2013-14, Sembmarine Kakinada Ltd started operations in 2014-15 with a capacity of 50,000 DWT, and Chidambaranar Shipcare Private Ltd set up a capacity of 3,500 DWT at its shipbuilding facility Chidambaranar Shipcare Private Ltd set up a capacity of 3,500 DWT at its shipbuilding facility
- Order book break-up:** During 2011-2016, India's overall shipbuilding order book declined due to weak global trade and persistent supply overhang. On the basis of vessel category, bulk cargo segment accounted for the largest share in terms of capacity. As compared to private sector shipyards, the order book of public sector shipyards was lower due to higher presence of defence vessels which are low on DWT but have a longer completion timelines. While private sector shipyards have higher constituent of commercial vessels & higher export oriented orders, such orders have been cancelled/put on hold, thus resulting in a challenging scenario for many private shipyards.
- Warship building industry in India:** The Naval ship requirements and Indian coast guard are the two major segments catered to by the domestic shipbuilding industry. The vessels /ships include aircraft carriers, amphibious transport dock, landing ship tanks, destroyers, frigates, nuclear-powered attack submarine, conventionally powered attack submarines, corvettes, mine countermeasure vessels (MCMVs), large offshore patrol vessels, fleet tankers and various auxiliary vessels and small patrol boats.
- Government measures to promote domestic shipbuilding industry:** The government has set aside Rs 4000 cr over 10 years to implement financial assistance scheme for shipbuilders. Additionally, the government has granted infrastructure status for the industry and provided indirect tax incentives like exemption from customs and central excise duties on raw materials on all raw materials and parts, used in manufacture of ships/vessels/tugs and pusher crafts.
- To encourage defence shipbuilding in the country, the government allowed FDI of up to 49% under the automatic route and above 49% under Government route wherever it is likely to result in access to modern technology. Under the modernisation programme, currently, all major Indian warships and submarines under construction are being built in Indian shipyards. These

include both DPSUs and private shipyards.

- **Ship repair Industry:** As per the report by the Ministry of Shipping at the India Maritime Summit 2016, the global ship repair market is estimated to be around USD 12 billion. Further, the Indian ship repair industry's market potential is estimated to be around USD 1.5 billion (~ Rs 10,200 cr).
- **Growth Outlook:** As per CRISIL research, India's commercial order book to grow at a modest pace of 1-3% CAGR over next 5 years. The non-cargo segment of commercial order book is expected to grow at 4-6% CAGR over next 5 years with the improvement in vessel traffic at Indian ports, boosting requirement for tugs and other port crafts. The defence shipbuilding order book is estimated to grow 8-10% CAGR over the next 5 years due to Indian Navy and Coast Guard's ship acquisition plans- to have fleets of 200 ships each till 2020-21.

Financials (consolidated)

Profit & Loss					(Rs Cr)
	FY17	FY18	FY19	FY20	
Revenues	3,519	4,470	4,614	4,978	
Other Operating Income	756	557	591	558	
Total Revenue	4,275	5,028	5,205	5,535	
Less					
Cost of materials consumed	2,140	2,693	2,557	2,503	
Procurement of base and depot spares	35	92	608	362	
Employee benefits expense	729	886	689	793	
Sub-contract Expenses	110	323	176	744	
Power and fuel	26	23	19	17	
Other Expenses	353	300	303	291	
Total Cost	3,393	4,316	4,353	4,710	
EBIDTA	882	712	852	826	
EBIDTA Margins	20.6%	14.2%	16.4%	14.9%	
Other Income	0	0	0	0	
EBIDT	882	712	852	826	
Depreciation	42	52	64	69	
EBIT	840	659	787	757	
Interest Paid	9	9	9	9	
Extraordinary Inc./ (Exp.)	0	0	0	12	
Profit before Tax	831	650	778	735	
Tax Provision	288	257	308	352	
Profit after Tax	543	394	470	384	
Share of Net Profit/(loss) of associate	55	103	62	93	
PAT before OCI	598	496	532	477	
Other comprehensive income	-1	-40	-19	-19	
Total Comprehensive Income	598	456	513	458	

Source: RHP, Axis Securities

Balance Sheet
(Rs Cr)

Y/E March	FY17	FY18	FY19	FY20
Equity & Liabilities				
Equity Share Capital	2,490	2,241	2,241	2,017
Other Equity	27,411	26,100	29,928	28,674
Long Term Provisions	12,121	12,064	11,978	12,151
Other Non Current Liabilities	2,215	2,129	2,091	2,211
Trade Payables	9,263	23,911	29,173	47,708
Other Current Liabilities	140,411	127,259	133,069	116,899
Total	193,912	193,703	208,479	209,660
Assets				
Tangible Assets	5,441	6,769	7,873	8,312
Intangible Assets	214	284	230	171
Capital WIP	984	854	888	800
Other Long Term Assets	12,386	15,358	18,709	19,495
Inventories	40,287	37,860	37,903	46,227
Trade Receivables	8,117	11,134	14,729	14,588
Cash, Cash Equivalents	1,429	3,736	7,297	4,833
Other Bank balances	82,200	68,160	67,400	53,150
Other Current Asssets	42,856	49,549	53,450	62,084
Total	193,912	193,703	208,479	209,660

Source: RHP, Axis Securities

Cash Flow
(Rs Cr)

Y/E March	FY17	FY18	FY19	FY20
Profit Before Tax	831	650	778	735
Depreciation & Amortisation	42	53	64	71
Other Adjustments	(630)	(485)	(543)	(528)
Operating Profit before Working Capital Changes	242	218	299	279
Adjustments for Working Capital Changes	(899)	580	82	(166)
Direct Tax (Net)	(346)	(307)	(316)	(208)
Net Cash Flow from Operating Activities	(1,003)	491	65	(96)
Purchase of Fixed Assets	(218)	(193)	(172)	(110)
Others	711	541	588	563
Net Cash Flow from Investing Activities	493	348	417	454
Dividend paid (including DDT)	(240)	(295)	(121)	(262)
Buyback of Equity Shares	0	(254)	0	(278)
Tax on buy back of Equity Shares	0	(54)	0	(60)
Finance Cost	(5)	(5)	(5)	(5)
Net Cash Flow from Financing Activities	(245)	(608)	(126)	(605)
Net Increase / (decrease) in cash & cash equivalents	(755)	231	356	(246)
opening cash & cash equivalents	898	143	374	730
Closing cash & cash equivalents	143	374	730	483

Source: RHP, Axis Securities

Peer comparison

Peer Comparison	Face Value	EPS	NAV	P/E\$	ROE (%)
Mazagon Dock Shipbuilders*	10	21.36	152.17	-	15.54
Cochin Shipyard Ltd**	10	48.05	283.02	7.60	16.98
Reliance Naval & Engg**	10	(23.87)	(165.10)	NA	NA
Garden Reach Shipbuilders**	10	14.27	90.81	14.91	7.01

*Based on Restated Financial Statements as on and for the year ended March 31, 2020.

**Source: Based on audited financial statements as on and for the year ended March 31, 2020 available at www.bseindia.com

\$P/E figures for the peers is computed based on closing market price as on August 27, 2020 as available at BSE

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