



## IPO OFFERING: COCHIN SHIPYARD LIMITED



# Cochin Shipyard Ltd.

### About Company

### Recommendation: Subscribe for Long term

Cochin Shipyard Ltd (CSL) is the largest public sector shipyard in India in terms of dock capacity. It caters to clients engaged in the defence sector in India and clients engaged in the commercial sector worldwide. In addition to shipbuilding and ship repair, it also offers marine engineering training. Its Ship Repair Dock is one of the largest in India and enables it to accommodate vessels with a maximum capacity of 125,000 DWT. In the last two decades, it has built and delivered vessels across broad classifications including bulk carriers, tankers, Platform Supply Vessels (“PSVs”), Anchor Handling Tug Supply vessels (“AHTSs”), barges, bollard pull tugs, passenger vessels and Fast Patrol Vessels (“FPVs”). It is currently building India's first Indigenous Aircraft Carrier (“IAC”) for the Indian Navy.

<b>Price Band*</b>	<b>: Rs. 424 to Rs. 432 per share</b>
<b>Bid Lot size</b>	<b>: 30 Shares</b>
<b>Issue opens</b>	<b>: August 1<sup>st</sup>, 2017</b>
<b>Issue Closes</b>	<b>: August 3<sup>rd</sup>, 2017</b>
<b>Min Amount</b>	<b>: Rs 12960/-*</b>

\*Retail Discount of Rs 21 per Equity Share

### Msearch View:

We believe Investors are getting opportunity to invest only profitable shipbuilding and repair Services Company amongst its peers in India. Currently, the company has 2 docks for shipbuilding and ship repair and it is adding new dry dock and international ship repair facilities which will enable the company to build large ships like LNG vessels, large container vessels, new generation aircraft carrier, etc. We expect more action to come in Indian defence sector hence CSL has capabilities to tap the demand. On valuation parse at the higher band of IPO price of Rs 432, the stock is valued at 18x FY17 P/E which is attractive in current scenario, hence we recommend investors to SUBSCRIBE to this issue.

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