

4 October 2016

CMP: Rs. 706.55

Industry: Chemicals

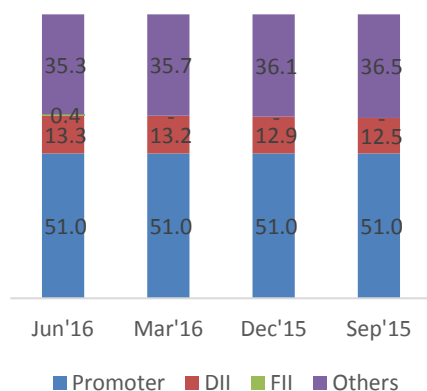
BSE group: S&P BSE SmallCap

Promoters

Duncan JP Goenka Group

Key Data

BSE	506579
ISIN	INE321D01016
Face Value (Rs.)	10.00
Mkt Cap (Rs. mn)	7,274.7
Current P/E	13.7
Current P/BV	2.4
52 week high-low	763-385
30 days avg. daily trading volume (shares)	1,493
Equity capital (Rs mn)	103.0
Net worth (Rs mn)	3,005.6

Shareholding Pattern (%)


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Company business

Oriental Carbon & Chemicals (OCCL) was incorporated in 1978 as Dharuhera Chemicals Limited (DCL) and in 1983 was merged with Oriental Carbon Limited (OCL), a group company engaged in the production of Carbon Black, to form OCCL. In 1994, OCCL set-up a manufacturing facility for the production of Insoluble Sulphur, which is now the flagship product of the company. The company has undertaken capacity expansion over the past few years in order to satisfy the increasing customer requirements. The company is currently engaged in the production of Insoluble Sulphur, Sulphuric Acid and Oleum.

The company used to enter into 5 year agreements with client due to which it faced pressure on its margins due to volatile Sulphur prices restricting its ability to pass on increase in raw material cost to customers. However, the company has shifted to entering into quarterly contracts which leads to a one quarter lag in the company passing on any increase in raw material prices to end customers.

Financials

Particulars (Rs. mn)	Jun'16	Jun'15	% Change ¹	Mar'16	% Change ²
Total income	770.1	735.8	4.7%	700.8	9.9%
Total expenditure	534.2	508.5	5.1%	503.0	6.2%
EBITDA	235.9	227.3	3.8%	197.8	19.2%
EBITDA margin (%)	30.6%	30.9%		28.2%	
PBT	186.1	164.7	13.0%	146.4	27.1%
PAT (after extraordinary items)	145.8	143.5	1.6%	120.2	21.3%
PAT margin (%)	18.9%	19.5%		17.1%	
EPS (Rs.)	14.2	13.9	1.6%	11.7	21.3%

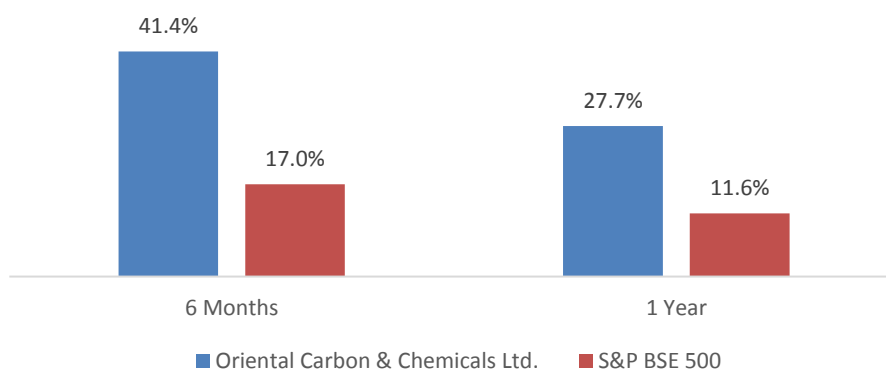
¹ compared to corresponding quarter in the previous year

Source: ACE Equity, Company

² sequential comparisons

Financial Performance

The company's income grew by ~5%, while the net profits increased by ~2% over the corresponding quarter last year. The company's EBITDA margin has marginally decreased from 30.9% last year to 30.6% this year, while PAT margin fell from 19.5% to 18.9% for quarter ending June 2016.

Share Price Performance


Financials

P&L (Rs. mn)	2014	2015	2016
Total income	2,651.9	2,954.3	2,804.0
EBITDA	716.4	841.4	867.6
EBITDA margin (%)	27.0%	28.5%	30.9%
Depreciation	104.3	130.8	156.5
EBIT	612.1	710.6	711.1
Interest	110.5	81.0	63.5
PBT (before exceptional items)	501.6	629.6	647.6
Exceptional items	-	-	-
PAT	404.4	513.2	529.9
PAT margin (%)	15.2%	17.4%	18.9%
Dividend	84.3	105.2	105.3
Dividend payout (%)	20.9%	20.5%	19.9%
Cash Flow (Rs.mn)	2014	2015	2016
PBT (after exceptional items)	501.6	629.6	647.6
CF from operations	515.3	699.7	684.0
CF from investing	(232.4)	(313.9)	(420.6)
CF from financing	(316.9)	(315.6)	(350.2)
Inc/(dec) in cash	(34.0)	70.2	(86.8)
Closing Balance	55.0	125.2	38.3

Balance Sheet (Rs. mn)	2014	2015	2016
Equity Share Capital	103.0	103.0	103.0
Preference Share Capital	-	-	-
Share Warrants	-	-	-
Reserves & Surplus	1,935.5	2,338.7	2,763.3
Net worth	2,038.5	2,441.7	2,866.2
Borrowings	1,038.8	906.5	726.2
Current Liabilities & Provisions	302.2	351.6	369.3
Total liabilities	3,379.6	3,699.9	3,961.9
Net fixed assets	1,934.3	1,875.8	1,828.2
Capital WIP	22.7	41.7	395.1
Investments	576.7	832.9	784.5
Inventories	379.2	372.6	386.7
Sundry Debtors	471.2	514.9	480.5
Cash & Bank	102.2	177.2	100.0
Other Current Assets	48.5	50.3	63.7
Loans and Advances	29.3	45.6	134.6
Miscellaneous Expenses not w/off	-	-	-
Deferred Tax Assets/(Liabilities)	(184.4)	(211.2)	(211.4)
Total assets	3,379.6	3,699.9	3,961.9

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