

20 June 2016

CMP: Rs. 493.45

Industry: Chemicals

BSE group: S&P BSE SmallCap

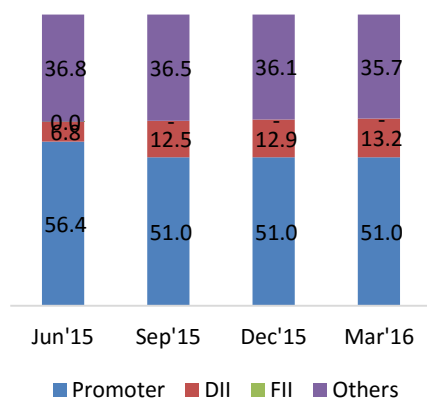
Promoters

Duncan JP Goenka Group

Key Data

BSE	506579
ISIN	INE321D01016
Face Value (Rs.)	10.0
Mkt Cap (Rs. mn)	5,080.6
Current P/E	9.6
Current P/BV	1.8
52 week low-high	675-385
30 days avg daily trading volume	1,677
Net worth (Rs mn)	2859.8

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 in mn)	Jan '16 to Mar '16	Jan '15 to Mar '15	% Change ¹	Oct '15 to Dec '15	% Change ²
Total income	700.8	808.7	(13.3%)	653.3	7.3%
Total operating expenditure	503.0	574.3	(12.4%)	448.0	12.3%
EBIDTA	197.8	234.4	(15.6%)	205.2	(3.6%)
EBIDTA margin	28.2%	29.0%	-	31.4%	-
PBT	146.4	179.5	(18.4%)	155.3	(5.7%)
PAT	120.2	155.7	(22.8%)	136.8	(12.1%)
PAT margin	17.1%	19.3%	-	20.9%	-
EPS	11.7	15.1	(22.8%)	13.3	(12.1%)

¹ compared to corresponding quarter in the previous year

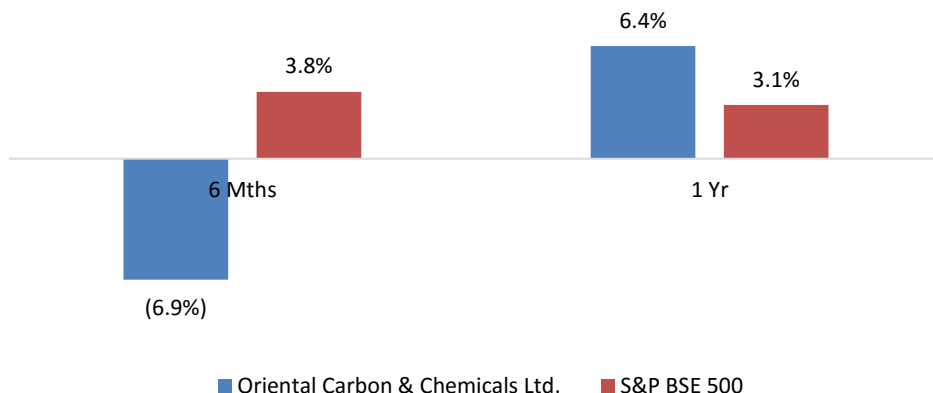
Source: ACE Equity, Company

² sequential comparisons

Financial Performance

On a quarter on quarter basis, the company's revenues increased by 7.3% to Rs. 700.8 mn. This was accompanied by high operating costs, which resulted in a weak quarter for the company and it reported lower net profit of Rs. 120.2 mn compared to Rs. 136.8 mn in quarter ending Dec'15.

Share Price Performance



Financials

Income Statement (Year ended 31	2013	2014	2015
March)			
Total Income	2931.49	3358.47	3604.31
EBIDTA	624.26	716.41	841.42
EBIDTA margin	21.29	21.33	23.34
Depreciation	120.51	129.42	163.81
EBIT	503.75	586.98	677.62
Interest	154.59	135.38	103.51
PBT	378.29	501.65	550.83
Tax	99.36	96.28	98.15
PAT	278.93	405.37	452.67
PAT margin	9.52	12.07	12.56
Dividend (Rs.mn)	60.07	84.32	105.22
Dividend Payout	18.63	17.80	18.12
Cash Flow Statement	2013	2014	2015
PBT	378.29	501.65	550.83
CF from Operations	323.11	527.15	703.42
CF from Investing	-41.16	-210.09	-312.37
CF from Financing	-286.15	-337.33	-337.61
Inc/(Dec) in Cash	-128.53	-83.69	15.98
Closing Balance	93	72	126

Balance Sheet (Year ended	2013	2014	2015
31 March)			
Share Capital	103.11	103.11	103.11
Share Application Money	0.00	0.00	0.00
Pending allotment			
Reserves & Surplus	1646.47	1966.17	2339.10
Net worth	1750	2069	2442
Borrowings	1342.99	1201.55	1070.23
Current Liabilities & Provisions	431.95	420.96	523.87
Total liabilities	3700	3868	4182
Net fixed assets	2177.48	2220.72	2147.24
Capital WIP	32.25	22.95	43.92
Investments	54.44	114.65	267.84
Inventories	505.27	497.07	530.30
Sundry Debtors	566.21	646.46	675.83
Cash & Bank	138.31	123.61	182.52
Other Current Assets	87.91	53.19	54.81
Loans and Advances	301.08	373.49	490.68
Miscellaneous Expenses not w/off			
Deferred Tax Assets/(Liabilities)	-163.02	-184.45	-211.16
Total assets	3700	3868	4182

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