

CMP: INR 21.05\*

## Stock data

BSE code	519491
BSE ID	OCEAGRO
Face value (INR)	10
No of shares (m)	6.7
Market cap (INRm)	141.9
3m avg. daily vol (No)	376
Free float (INRm)	19.3
Dividend yield FY13 (%)	0

S&P BSE Sensex	18,774.2
----------------	----------

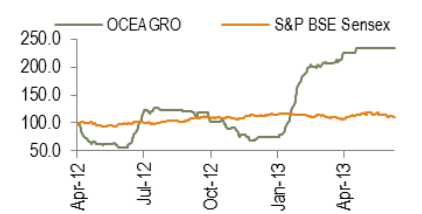
## Stock performance (%)

52-week H/L	INR21.9/5.1		
	1M	3M	12M
Absolute (%)	*	11.7	312.7
Relative (%)	*	12.3	301.6

## Shareholding pattern (%)

Promoters	FIIs	DIIs	Others
86.39%	0.00%	0.00%	13.61%

## Relative stock movement



Note: \*Stock last traded on 30 th April 2013  
Source: BSE

June 2013

## Company Overview

Based out of Baroda, Ocean Agro India Limited (OAI) is in the business of agro products, packaging materials and irrigation equipments. It started business as a proprietary firm in 1971 and was converted into company in 1990. Currently, it is dealing in agri-products only. Key product includes *Delta* and *Amrut Sanjivani* which are lipo protein and peat humus based organic fertilizers.

## Q4FY13 performance

- Revenue in Q4FY13 increased by 51% YoY to INR29.8m. However, due to seasonality QoQ revenue was down by 37% in Q4FY13. Revenue for FY13 declined by 2% to INR160.9m.
- Due to better scale and lower other expenditure, in Q4FY13 EBITDA margins improved by 1700bps YoY to 4.7%. EBITDA margins improved by 70bps to 9.3% in FY13.
- High interest expense and depreciation led to losses of INR 2.1m in Q4FY13. These twin expenditures led to decline in PAT by 67.5% to INR0.1m in FY13.
- The total borrowings increased from INR32.64m in FY12 to INR36.07m. On asset side, inventories decreased from INR51.6m in FY12 to INR48.2m in FY13 and trade receivables increased from INR138.2m in FY12 to INR141.6m in FY13.
- The company has not declared any dividends this quarter.

Table 1: Q4FY13 snapshot

(INRm)	Q4 FY13	Q4FY12	YoY %	Q3FY13	QoQ%	FY13	FY12	YoY %
Revenue	29.8	19.8	50.6	47.0	-36.7	160.9	163.8	-1.8
EBITDA	1.4	-2.4	-157.6	5.9	-76.4	14.9	14.1	5.7
PAT (Adjusted)	-2.1	-5.3	-59.8	2.6	-182.2	0.1	0.4	-67.5
PAT (Reported)	-2.1	-5.3	-59.8	2.6	-182.2	0.1	0.4	-67.5
Ratio								
% of sales	Q4 FY13	Q4FY12	YoY %	Q3FY13	QoQ%	FY13	FY12	YoY %
Cost of Material	23.5	16.8	6.7	18.2	5.3	25.1	25.3	-0.2
Staff Cost	9.8	17.5	-7.7	6.1	3.7	7.9	8.4	-0.5
Other Expenditure	62.0	78.0	-16.0	63.1	-1.1	57.7	57.7	0.0
EBITDA	4.7	-12.3	17.0	12.6	-7.9	9.3	8.6	0.7
Tax Rate	0.0	0.0	0.0	0.0	0.0	94.0	83.3	10.6
NPM	-7.2	-26.9	19.7	5.5	-12.7	0.1	0.2	-0.1

Source: Company, Varhad Research

## Quarterly performance in charts and tables

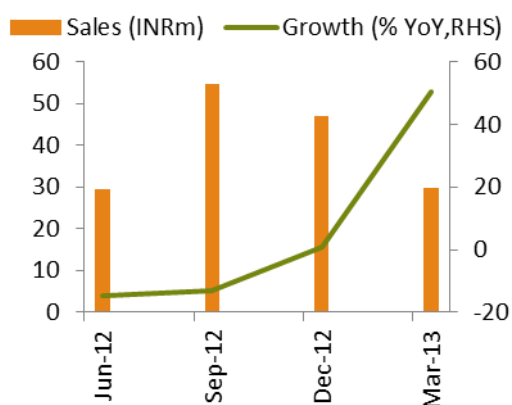
**Table 2: Detailed Q4FY13 Overview**

	Q4 FY13	Q4FY12	YoY %	Q3FY13	QoQ%	FY13*	FY12*	YoY %
<b>Revenue</b>	29.8	19.8	50.6	47.0	-36.7	160.9	163.8	-1.8
Cost of Material	7.0	3.3	110.7	8.5	-18.1	40.5	41.4	-2.4
Staff Cost	2.9	3.5	-15.9	2.9	1.5	12.7	13.8	-7.6
Other Expenditure	18.5	15.4	19.7	29.7	-37.8	92.8	94.5	-1.7
Total Cost	28.4	22.2	27.8	41.1	-31.0	146.0	149.7	-2.5
<b>EBITDA</b>	1.4	-2.4	-157.6	5.9	-76.4	14.9	14.1	5.7
Depreciation	1.7	1.3	24.6	1.7	-1.2	6.5	6.3	3.5
<b>EBIT</b>	-0.3	-3.8	-92.8	4.3	-106.4	8.4	7.8	7.4
Interest Expenses	1.9	1.6	20.6	1.7	-98.8	6.6	5.8	13.3
Non-Operating Income	0.1	0.1	25.0	0.0	650.0	0.1	0.1	-20.8
<b>PBT</b>	-2.1	-5.3	-59.8	2.6	-182.2	1.9	2.2	-10.1
Provision for Tax	0.0	0.0	-	0.0	-	1.8	1.8	1.4
<b>PAT (Adjusted)</b>	-2.1	-5.3	-59.8	2.6	-182.2	0.1	0.4	-67.5
Extra Ordinary	0.0	0.0	-	0.0	-	0.0	0.0	-
<b>PAT (Reported)</b>	-2.1	-5.3	-59.8	2.6	-182.2	0.1	0.4	-67.5

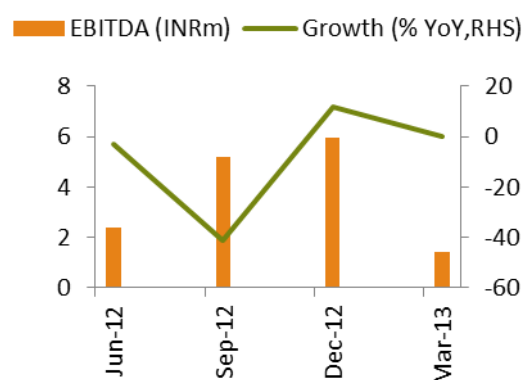
Note: \* We are reporting full year audited numbers.

Source: BSE, Varhad Research

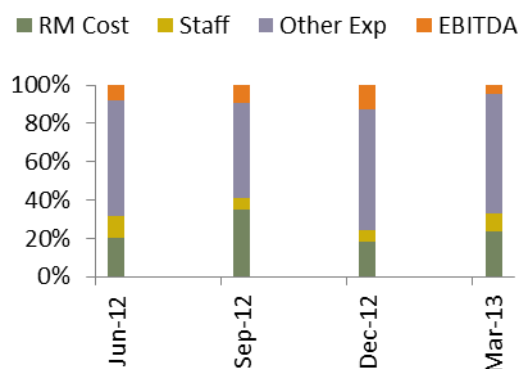
**Chart 1: Sales trend**



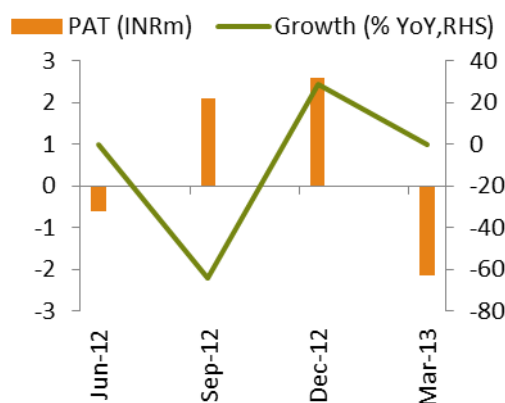
**Chart 2: EBITDA trend**



**Chart 3: Margin trend**



**Chart 4: PAT trend**



Source: Company, Varhad Research

## DISCLAIMER

Varhad Financial Consultancy Services Private Limited (Varhad FCS), an entity of the Varhad Group has taken utmost care to ensure accuracy and objectivity while writing this report based on publicly available information or from reliable sources. However, neither the accuracy nor completeness of information contained in this report is guaranteed. Opinions expressed herein are our current opinions as on the date of this report. Nothing in this report can be construed as either investment or any other advice or any solicitation, whatsoever. The subscriber/user assumes the entire risk of any use made of this report or data herein. Varhad FCS specifically states that it or any of its entities or employees do not have any financial liabilities whatsoever to the subscribers / users of this report. This report is for personal information only of the authorised recipient in India only. This report or part of it should not be reproduced or redistributed or communicated directly or indirectly in any form to any other person or published or copied for any purpose.

## PUBLISHED BY

Varhad Financial Consultancy Services (VFCS) is the research and financial consultancy services entity of the Varhad Group. We have one of the best in-house research team, which has sound understanding of SMEs through clients across India. We provide project specific, company specific and sector specific consultancy services. We help companies expand businesses through network expansion. We also help in balance sheet strengthening and improvement in both credit and business profile of the company.

**Head Office:** Ground Floor, E07/01, Sector 1, Vashi, Navi Mumbai 400703|Tel: +91-22-64646425  
|www.varhadcapital.com|

**Regional Offices:** B111, Parmar Chambers, Sadhu Vasvani Chowk, Pune 411001