

CMP: INR 7.54

Stock data

BSE code	519491
BSE ID	OCEAGRO
Face value (INR)	10
No of shares (m)	6.7
Market cap (INRM)	50.9
3m avg. daily vol (No)	5659
Free float (INRM)	6.9
Dividend yield FY13 (%)	0

S&P BSE Sensex 19,379.8

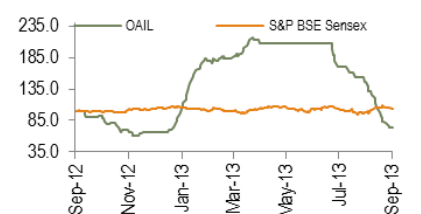
Stock performance (%)

52-week H/L	INR21.9/6.1		
	1M	3M	12M
Absolute (%)	-49.1	-64.2	-25.3
Relative (%)	-53.1	-64.1	-28.3

Shareholding pattern (%)

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

Relative stock movement



Source: BSE

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.

Q1FY14 performance

- Net revenue increased by 27.5% YoY, 26.9% QoQ to INR37.8m in Q1FY14.
- Raw material cost increased by 92.1% YoY, 64.1% QoQ to INR11.5m in Q1FY14. Staff cost decreased by 18.4% YoY, 2.1% QoQ to INR2.8m in Q1FY14. Other expenditure increased by 12.1% YoY, 7.8% QoQ to INR19.9m in Q1FY14.
- Operating profit increased by 47.5% YoY, 152.9% QoQ to INR3.5m in Q1FY14.
- Depreciation decreased by 3.0% QoQ from INR1.7m in Q4FY13 to INR1.6m in Q1FY14. However, it increased by 3.2% YoY.
- Interest expenses decreased by 11.0% YoY, 33.5% QoQ to INR1.3m in Q1FY14.
- The Company earned net profit of INR0.6m in Q1FY14 as against net losses of INR0.6m in Q1FY13 and INR2.1m in Q4FY13.
- In the 23rd Annual General Meeting held on 28th September, 2013, Mr. Girishbhai Shah was re-appointed as Director of the Company. M/s Ambalal M. Shah & Co. was re-appointed as auditor of the Company.
- Auditor has commented that the Company has not consolidated the financial results of Ocean Agro India Ltd. Situated at Baroda and its 100% subsidiary company Ocean Agro LLC situated at USA.

Table 1: Q1FY14 snapshot

(INRM)	Q1FY14	Q1FY13	YoY %	Q4FY13	QoQ%	FY13	FY12	YoY %
Revenue	37.8	29.6	27.5	29.8	26.9	160.9	163.8	-1.8
EBITDA	3.5	2.4	47.5	1.4	152.9	14.9	14.1	5.7
PAT (Adjusted)	0.6	-0.6	-201.6	-2.1	-129.6	0.1	0.4	-66.7
PAT (Reported)	0.6	-0.6	-201.6	-2.1	-129.6	0.1	0.4	-66.7

Ratio

% of sales	Q1FY14	Q1FY13	YoY %	Q4FY13	QoQ%	FY13	FY12	YoY %
Raw Material	30.4	20.2	10.2	23.5	6.9	25.1	25.3	-0.2
Staff Cost	7.5	11.8	-4.2	9.7	-2.2	7.9	8.4	-0.5
Other Expenditure	52.7	60.0	-7.3	62.1	-9.3	57.7	57.7	0.0
EBITDA	9.4	8.1	1.3	4.7	4.7	9.3	8.6	0.7
Tax Rate	0.0	0.0	0.0	0.0	0.0	93.8	83.3	10.5
NPM	1.7	-2.1	3.8	-7.2	8.8	0.1	0.2	-0.1

Source: Company, Varhad Research

October 2013

Quarterly performance in charts and tables

Table 2: Detailed Q1FY14 Overview

	Q1FY14	Q1FY13	YoY %	Q4FY13	QoQ%	FY13	FY12	YoY %
Revenue	37.8	29.6	27.5	29.8	26.9	160.9	163.8	-1.8
Raw Material Cost	11.5	6.0	92.1	7.0	64.1	40.5	41.4	-2.4
Staff Cost	2.8	3.5	-18.4	2.9	-2.1	12.7	13.8	-7.6
Other Expenditure	19.9	17.8	12.1	18.5	7.8	92.8	94.5	-1.7
Total Cost	34.2	27.2	25.8	28.4	20.7	146.0	149.7	-2.5
EBITDA	3.5	2.4	47.5	1.4	152.9	14.9	14.1	5.7
Depreciation	1.6	1.6	3.2	1.7	-3.0	6.5	6.3	3.5
EBIT	1.9	0.8	131.3	-0.3	-811.1	8.4	7.8	7.4
Interest Expenses	1.3	1.5	-11.0	1.9	-33.5	6.6	5.8	13.3
Non-Operating Income	0.0	0.0	*	0.1	-100.0	0.1	0.1	-16.7
PBT	0.6	-0.6	-201.6	-2.1	-129.6	2.0	2.2	-9.7
Provision for Tax	0.0	0.0	*	0.0	*	1.8	1.8	1.7
PAT (Adjusted)	0.6	-0.6	-201.6	-2.1	-129.6	0.1	0.4	-66.7
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
PAT (Reported)	0.6	-0.6	-201.6	-2.1	-129.6	0.1	0.4	-66.7

Note: (*) Not Applicable, Source: BSE, Varhad Research

Chart 1: Sales trend

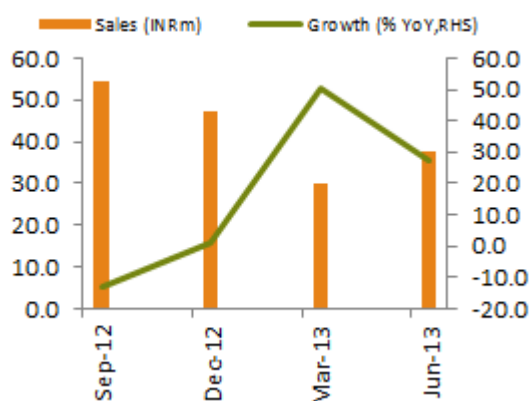


Chart 2: EBITDA trend#

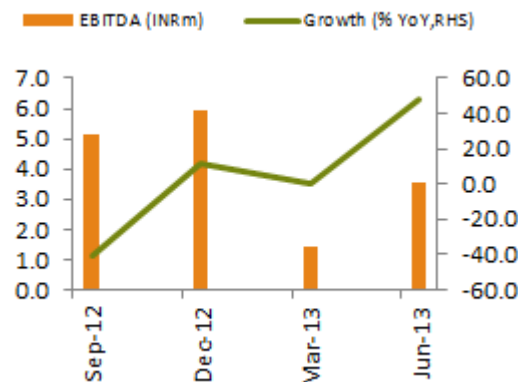


Chart 3: Margin trend

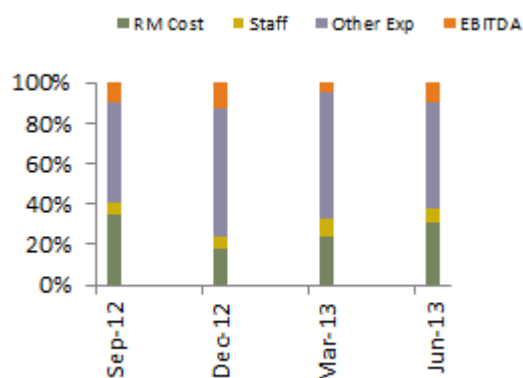
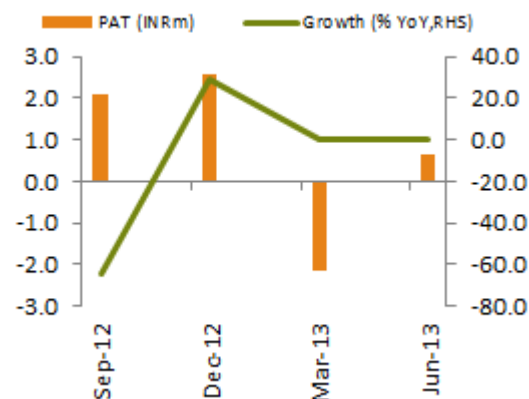


Chart 4: PAT trend#



Note: (#) EBITDA/PAT growth could not be calculated for certain quarters due to losses, Source: Company, Varhad Research

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