

CMP: INR 7.08

Stock data

BSE code	519491
BSE ID	OCEAGRO
Face value (INR)	10
No of shares (m)	6.5
Market cap (INRM)	46.3
3m avg. daily vol (No)	2,543
Free float (INRM)	8.9
Dividend yield FY13 (%)	0
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S&P BSE Sensex	20,683.5

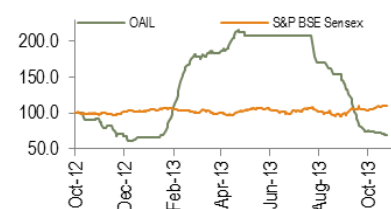
Stock performance (%)

52-week H/L	INR21.9/6.1		
	1M	3M	12M
Absolute (%)	-7.9	-60.9	-24.3
Relative (%)	-11.9	-65.6	-35.3

Shareholding pattern (%)

Promoters	FIIs	DIIs	Others
81.27%	0.00%	0.00%	18.73%

Relative stock movement



Source: BSE

Company Overview

Based out of Baroda, Ocean Agro India Limited (OAIL) 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 products includes Delta and Amrut Sanjivani which are lipo protein and peat humus based organic fertilizers.

Q2FY14 performance

- Net revenue increased by 31.4% YoY, 89.9% QoQ to INR71.7m in Q2FY14. It increased by 30.0% YoY to INR109.4m in 6mFY14.
- Raw material cost increased by 14.1% YoY, 88.5% QoQ to INR21.6m in Q2FY14. It increased by 32.8% YoY to INR33.1m in 6mFY14. Staff cost decreased by 52.4% YoY, 41.5% QoQ to INR1.7m in Q2FY14. It decreased by 35.4% YoY to INR4.5m in 6mFY14. Other expenditure increased by 52.2% YoY, 106.0% QoQ to INR41.0m in Q2FY14. It increased by 36.3% YoY to INR60.9m in Q2FY14.
- Operating profit increased by 42.9% YoY, 108.8% QoQ to INR7.4m in Q2FY14. It increased by 44.4% YoY to INR10.9m in 6mFY14.
- Depreciation increased by 5.1% YoY, 1.9% QoQ to INR1.7m in Q2FY14. It increased by 4.1% YoY to INR3.3m in 6mFY14.
- Interest expenses decreased by 19.2% YoY, 5.4% QoQ to INR1.2m in Q2FY14. It decreased by 15.2% YoY to INR2.5m in 6mFY14.
- Net profit increased by 115.7% YoY, 619.0% QoQ to INR4.5m in Q2FY14. It increased by 248.6% YoY to INR5.2m in 6mFY14.
- Major portion of equity and liabilities are equity of INR235.2m and borrowings of INR37.0m in Q2FY14. Major portion of assets are trade receivables of INR153.6m and inventories of INR44.0m in Q2FY14.
- 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: Q2FY14 snapshot

(INRM)	Q2FY14	Q2FY13	YoY %	Q1FY14	QoQ%	6mFY14	6mFY13	YoY %
Revenue	71.7	54.6	31.4	37.8	89.9	109.4	84.2	30.0
EBITDA	7.4	5.2	42.9	3.5	108.8	10.9	7.6	44.4
PAT (Adjusted)	4.5	2.1	115.7	0.6	619.0	5.2	1.5	248.6
PAT (Reported)	4.5	2.1	115.7	0.6	619.0	5.2	1.5	248.6
Ratio								
% of sales	Q2FY14	Q2FY13	YoY %	Q1FY14	QoQ%	6mFY14	6mFY13	YoY %
Raw Material	30.2	34.7	-4.6	30.4	-0.2	30.2	29.6	0.6
Staff Cost	2.3	6.4	-4.1	7.5	-5.2	4.1	8.3	-4.2
Other Expenditure	57.2	49.4	7.8	52.7	4.5	55.7	53.1	2.5
EBITDA	10.3	9.5	0.8	9.4	0.9	10.0	9.0	1.0
Tax Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPM	6.3	3.8	2.5	1.7	4.7	4.7	1.8	3.0

Source: Company, Varhad Research

November 2013

Quarterly performance in charts and tables

Table 2: Detailed Q2FY14 Overview

	Q2FY14	Q2FY13	YoY %	Q1FY14	QoQ%	6mFY14	6mFY13	YoY %
Revenue	71.7	54.6	31.4	37.8	89.9	109.4	84.2	30.0
Raw Material Cost	21.6	19.0	14.1	11.5	88.5	33.1	24.9	32.8
Staff Cost	1.7	3.5	-52.4	2.8	-41.5	4.5	7.0	-35.4
Other Expenditure	41.0	26.9	52.2	19.9	106.0	60.9	44.7	36.3
Total Cost	64.3	49.4	30.2	34.2	87.9	98.5	76.6	28.6
EBITDA	7.4	5.2	42.9	3.5	108.8	10.9	7.6	44.4
Depreciation	1.7	1.6	5.1	1.6	1.9	3.3	3.1	4.1
EBIT	5.7	3.6	59.4	1.9	199.0	7.7	4.4	72.9
Interest Expenses	1.2	1.5	-19.2	1.3	-5.4	2.5	3.0	-15.2
Non-Operating Income	0.0	0.0	0.0	0.0	*	0.0	0.0	0.0
PBT	4.5	2.1	115.7	0.6	619.0	5.2	1.5	248.6
Provision for Tax	0.0	0.0	*	0.0	*	0.0	0.0	*
PAT (Adjusted)	4.5	2.1	115.7	0.6	619.0	5.2	1.5	248.6
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
PAT (Reported)	4.5	2.1	115.7	0.6	619.0	5.2	1.5	248.6

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

Chart 1: Sales trend

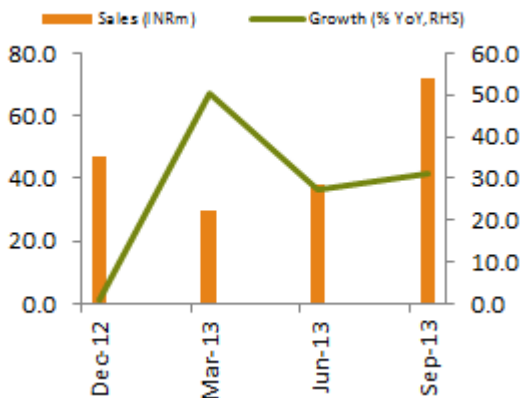


Chart 2: EBITDA trend#

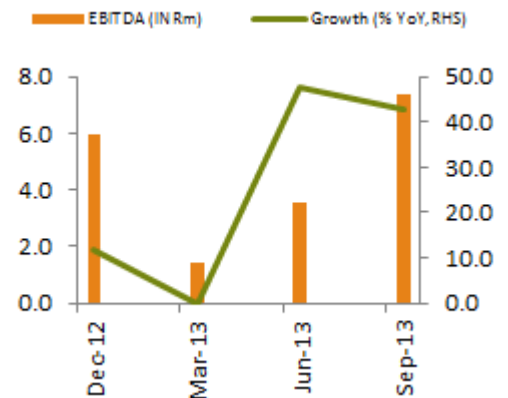


Chart 3: Margin trend

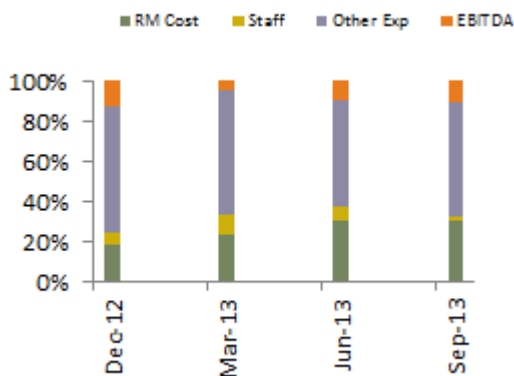
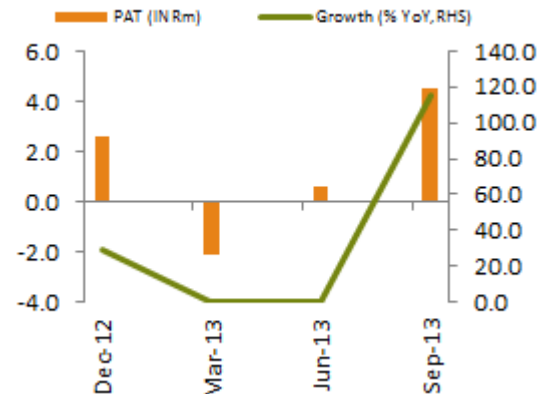


Chart 4: PAT trend#



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

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