

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)	2,350
Free float (INRm)	15.3
Dividend yield FY13 (%)	0
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S&P BSE Sensex	21,251.1

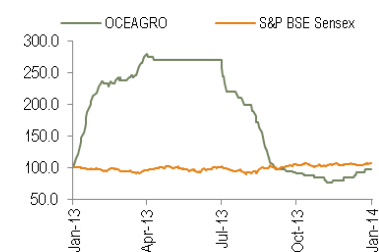
## Stock performance (%)

52-week H/L	INR21.9/5.9		
	1M	3M	12M
Absolute (%)	15.5	4.4	-3.3
Relative (%)	14.7	2.7	-9.7

## Shareholding pattern (%)

Promoters	FIIs	DIIs	Others
69.86%	0.00%	0.00%	30.14%

## Relative stock movement



Source: BSE

## January 2014

## 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 include Delta and Amrut Sanjivani which are lipo protein and peat humus based organic fertilizers.

## Q3FY14 performance

- Net revenue increased by 30.6% YoY, but it decreased by 14.3% QoQ to INR61.4m in Q3FY14. It increased by 30.2% YoY to INR170.8m in 9mFY14.
- Raw material cost increased by 90.5% YoY, but decreased by 24.7% QoQ to INR16.3m in Q3FY14. It increased by 47.5% YoY to INR49.4m in 9mFY14. Staff cost increased by 159.3% YoY, 346.8% QoQ to INR7.4m in Q3FY14. It increased by 21.2% YoY to INR11.9m in 9mFY14.
- Other expenditure increased by 8.2% YoY, but decreased by 21.7% QoQ to INR32.1m in Q3FY14. It increased by 25.1% YoY to INR93.0m in Q3FY14.
- Operating profit decreased by 5.7% YoY, 24.2% QoQ to INR5.6m in Q3FY14. It increased by 22.4% YoY to INR16.5m in 9mFY14.
- Depreciation decreased by 1.2% YoY, but it increased 1.2% QoQ to INR1.7m in Q3FY14. It increased by 2.3% YoY to INR4.9m in 9mFY14.
- Interest expenses decreased by 17.6% YoY, but increased by 12.1% QoQ to INR1.4m in Q3FY14. It decreased by 16.1% YoY to INR3.9m in 9mFY14.
- Non-operating income decreased by 20.0% YoY, 20.0% QoQ to INR0.1m in Q3FY14. It decreased by 10.0% YoY to INR0.02m in 9mFY14.
- Adjusted net profit decreased by 1.2% YoY, 43.3% QoQ to INR2.6m in Q3FY14. It increased by 89.4% YoY to INR7.7m in 9mFY14.
- Extraordinary items for Q3FY14 worth INR3.5m occurred due to writing off of bad debts.
- Reported PAT for Q3FY14 after extraordinary item resulted in a net loss of INR0.9m.

Table 1: Q3FY14 snapshot

(INRm)	Q3FY14	Q3FY13	YoY %	Q2FY14	QoQ%	9mFY14	9mFY13	YoY %
Revenue	61.4	47.0	30.6	71.7	-14.3	170.8	131.2	30.2
EBITDA	5.6	5.9	-5.7	7.4	-24.2	16.5	13.5	22.3
PAT (Adjusted)	2.6	2.6	-1.2	4.5	-43.3	7.7	4.1	89.4
PAT (Reported)	-0.9	2.6	-135.8	4.5	-120.6	4.2	4.1	3.7
<b>Ratio</b>								
% of sales	Q3FY14	Q3FY13	YoY %	Q2FY14	QoQ%	9mFY14	9mFY13	YoY %
Raw Material	26.5	18.2	8.3	30.2	-3.7	28.9	25.5	3.4
Staff Cost	12.1	6.1	6.0	2.3	9.8	7.0	7.5	-0.5
Other Expenditure	52.3	63.1	-10.8	57.2	-4.9	54.4	56.7	-2.2
EBITDA	9.1	12.6	-3.5	10.3	-1.2	9.7	10.3	-0.6
Tax Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPM	4.2	5.5	-1.3	6.3	-2.1	4.5	3.1	1.4

Source: Company, Varhad Research

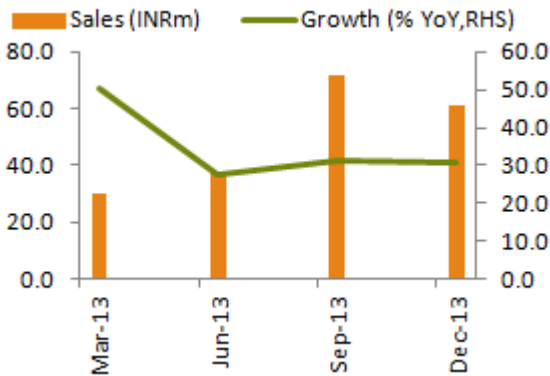
Quarterly performance in charts and tables

**Table 2: Detailed Q3FY14 Overview**

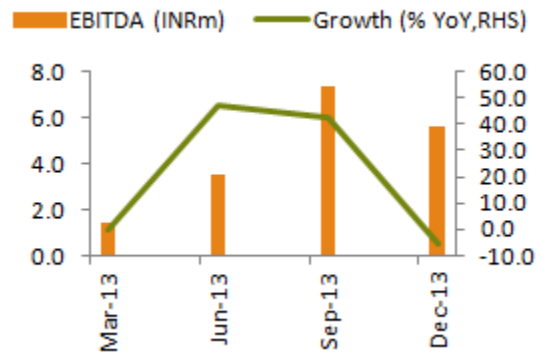
	Q3FY14	Q3FY13	YoY %	Q2FY14	QoQ%	9mFY14	9mFY13	YoY %
<b>Revenue</b>	61.4	47.0	30.6	71.7	-14.3	170.8	131.2	30.2
Raw Material Cost	16.3	8.5	90.5	21.6	-24.7	49.4	33.5	47.5
Staff Cost	7.4	2.9	159.3	1.7	346.8	11.9	9.8	21.2
Other Expenditure	32.1	29.7	8.2	41.0	-21.7	93.0	74.4	25.1
Total Cost	55.8	41.1	35.8	64.3	-13.2	154.3	117.7	31.1
<b>EBITDA</b>	5.6	5.9	-5.7	7.4	-24.2	16.5	13.5	22.3
Depreciation	1.7	1.7	-1.2	1.7	1.2	4.9	4.8	2.3
<b>EBIT</b>	3.9	4.3	-7.6	5.7	-31.6	11.6	8.7	33.5
Interest Expenses	1.4	1.7	-17.6	1.2	12.1	3.9	4.6	-16.1
Non-Operating Income	0.0	0.0	-20.0	0.0	-20.0	0.0	0.0	-10.0
<b>PBT</b>	2.6	2.6	-1.2	4.5	-43.3	7.7	4.1	89.4
Provision for Tax	0.0	0.0	*	0.0	*	0.0	0.0	*
<b>PAT (Adjusted)</b>	2.6	2.6	-1.2	4.5	-43.3	7.7	4.1	89.4
Extra Ordinary	-3.5	0.0	*	0.0	*	-3.5	0.0	*
<b>PAT (Reported)</b>	-0.9	2.6	-135.8	4.5	-120.6	4.2	4.1	3.7

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

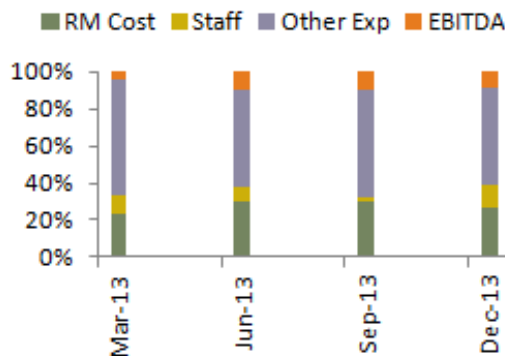
**Chart 1: Sales trend**



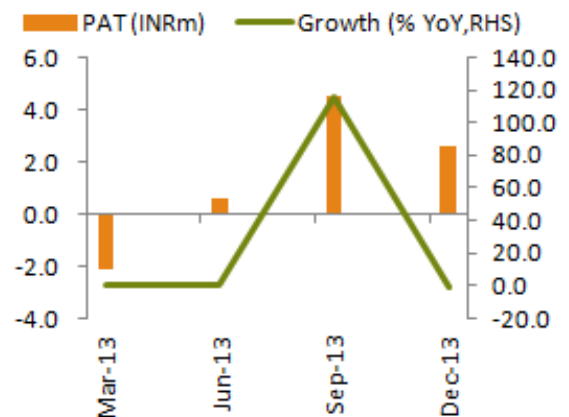
**Chart 2: EBITDA trend#**



**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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