

## Ocean Agro (India) Ltd

## The Varhad Group

CMP: INR7.60

## Stock data

BSE code	519491
BSE ID	OCEAGRO
Face value (INR)	10
No of shares (m)	6.7
Market cap (INRm)	51.2
3m avg. daily vol (No)	65.7
Free float (INRm)	15.4
Dividend yield FY14 (%)	0

S&P BSE Sensex	26,575.6
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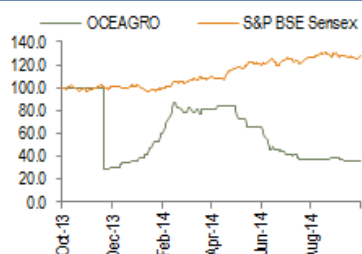
## Stock performance (%)

52-week H/L	INR19.0/5.9		
	1M	3M	12M
Absolute (%)	-7.9	-13.2	-63.9
Relative (%)	-5.6	-15.4	-91.3

## Shareholding pattern (%)

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

## Relative stock movement



Source: BSE

November 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. Currently it manufactures only bio-fertilizers and bio-pesticides.

## Q2FY15 performance

- Revenues increased by 0.6% YoY from INR71.7m in Q2FY14 to INR72.1m in Q2FY15.
- Raw material cost decreased by 15.8% YoY from INR21.6m in Q2FY14 to INR18.2m in Q2FY15. Staff cost increased by 242.0% YoY from INR1.7m in Q2FY14 to INR5.7m in Q2FY15. Other expenses increased by 0.4% YoY from INR41.0m in Q2FY14 to INR41.2m in Q2FY15.
- As a result, EBIDTA decreased by 4.0% YoY from INR7.4m in Q2FY14 to INR7.1m in Q2FY15.
- Depreciation increased by 7.2% YoY from INR1.7m in Q2FY14 to INR1.8m in Q2FY15.
- Interest expenses increased by 6.4% YoY from INR1.2m in Q2FY14 to INR1.3m in Q2FY15.
- Non-operating income decreased by 50.0% YoY from INR0.012m in Q2FY14 to INR0.006m in Q2FY15, provision for taxes remained nil in Q2FY15.
- Consequently, adjusted PAT decreased by 11.0% YoY from INR4.5m in Q2FY14 to INR4.0m in Q2FY15.
- The company has informed BSE that it has reappointed Shri Kaushikbhai Parikh as Managing Director and Shri Manharbhai Patel as Joint Managing Director.

Table 1: Q2FY15 snapshot\*\*

(INRm)	Q2FY15	Q2FY14	YoY %	Q1FY15	QoQ%	H1FY15	H1FY14	YoY %
Revenue	72.1	71.7	0.6	48.4	48.9	120.6	109.4	10.2
EBITDA	7.1	7.4	-4.0	4.5	58.6	11.6	11.0	5.8
PAT (Adjusted)	4.0	4.5	-11.0	1.5	172.7	5.5	5.2	6.7
PAT (Reported)	4.0	4.5	-11.0	1.5	172.7	5.5	5.2	6.7
Ratio								
% of sales	Q2FY15	Q2FY14	YoY %	Q1FY15	QoQ%	H1FY15	H1FY14	YoY %
Raw Material	25.2	30.2	-4.9	26.6	-1.4	25.8	30.2	-4.5
Staff Cost	7.9	2.3	5.5	8.6	-0.7	8.1	4.1	4.0
Other Expenditure	57.1	57.2	-0.1	55.6	1.5	56.5	55.7	0.8
EBITDA	9.8	10.3	-0.5	9.3	0.6	9.6	10.0	-0.4
Tax Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPM	5.6	6.3	-0.7	3.1	2.5	4.6	4.7	-0.1

Note: \*\*Standalone numbers. Source: Company, Varhad Research

## Quarterly performance in charts and tables

Table 2: Detailed Q2FY15 Overview\*\*

	Q2FY15	Q2FY14	YoY %	Q1FY15	QoQ%	H1FY15	H1FY14	YoY %
<b>Revenue</b>	72.1	71.7	0.6	48.4	48.9	120.6	109.4	10.2
Raw Material Cost	18.2	21.6	-15.8	12.9	41.4	31.1	33.1	-6.1
Staff Cost	5.7	1.7	242.0	4.2	36.3	9.8	4.5	118.7
Other Expenditure	41.2	41.0	0.4	26.9	52.9	68.1	60.9	11.8
Total Cost	65.0	64.3	1.2	44.0	47.9	109.0	98.5	10.7
<b>EBITDA</b>	7.1	7.4	-4.0	4.5	58.6	11.6	11.0	5.8
Depreciation	1.8	1.7	7.2	1.7	1.4	3.5	3.3	7.4
<b>EBIT</b>	5.3	5.8	-7.2	2.7	95.0	8.1	7.7	5.1
Interest Expenses	1.3	1.2	6.4	1.3	3.6	2.6	2.5	1.7
Non-Operating Income	0.0	0.0	-50.0	0.0	*	0.0	0.0	-50.0
<b>PBT</b>	4.0	4.5	-11.0	1.5	172.7	5.5	5.2	6.7
Provision for Tax	0.0	0.0	*	0.0	*	0.0	0.0	*
<b>PAT (Adjusted)</b>	4.0	4.5	-11.0	1.5	172.7	5.5	5.2	6.7
Extra Ordinary	0.0	0.0	*	0.0	*	0.0	0.0	*
<b>PAT (Reported)</b>	4.0	4.5	-11.0	1.5	172.7	5.5	5.2	6.7

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

Chart 1: Sales trend

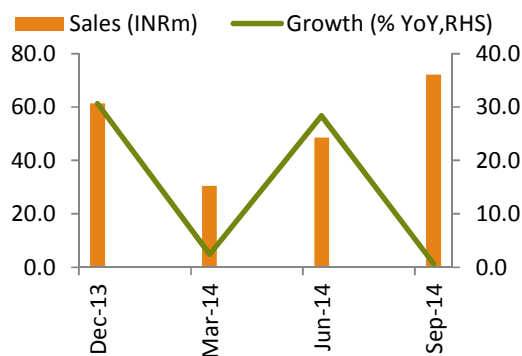


Chart 2: EBITDA trend#

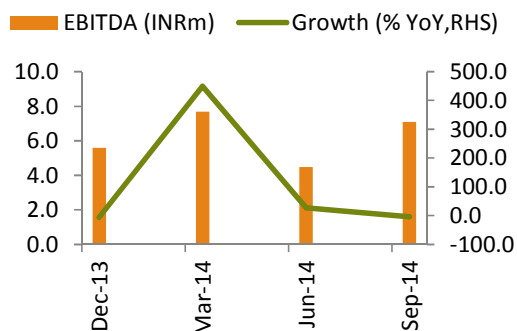


Chart 3: Margin trend

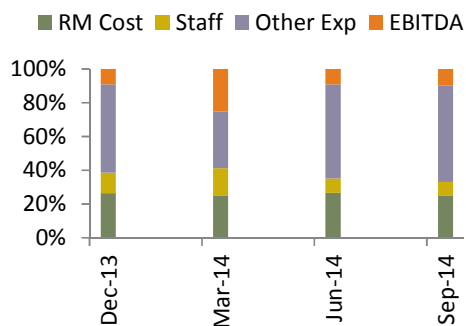
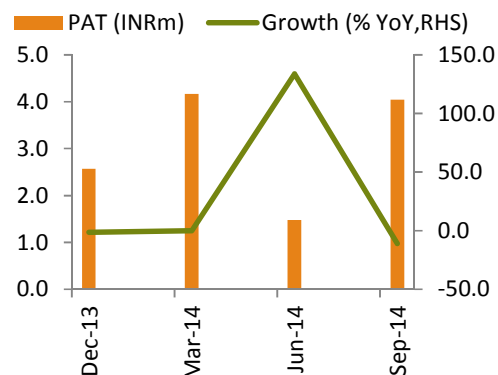


Chart 4: PAT trend#



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

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