

Ocean Agro (India) Ltd

The Varhad Group

CMP: INR14.08

Stock data

BSE code	519491
BSE ID	OCEAGRO
Face value (INR)	10
No of shares (m)	6.7
Market cap (INRm)	94.9
3m avg. daily vol (No)	140.7
Free float (INRm)	28.6
Dividend yield FY14 (%)	0

S&P BSE Sensex	28,888.8
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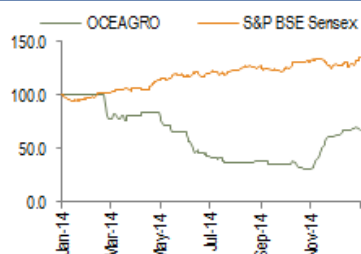
Stock performance (%)

52-week H/L	INR19.0/6.7		
	1M	3M	12M
Absolute (%)	7.5	85.3	-33.1
Relative (%)	3.2	77.4	68.5

Shareholding pattern (%)

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

Relative stock movement



Source: BSE

February 2015

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.

Q3FY15 performance

- Revenues increased by 1.0% YoY from INR61.4m in Q3FY14 to INR62.0m in Q3FY15.
- Raw material cost decreased by 10.4% YoY from INR16.3m in Q3FY14 to INR14.6m in Q3FY15.
- Staff cost decreased by 38.7% YoY from INR7.4m in Q3FY14 to INR4.5m in Q3FY15.
- Other expenses increased by 8.4% YoY from INR32.1m in Q3FY14 to INR34.8m in Q3FY15.
- As a result, EBIDTA increased by 44.4% YoY from INR5.6m in Q3FY14 to INR8.1m in Q3FY15.
- Depreciation increased by 5.9% YoY from INR1.7m in Q3FY14 to INR1.8m in Q3FY15.
- Interest expenses decreased by 0.4% on YoY basis to INR1.4m in Q3FY15.
- Non-operating income increased by 250.0% on YoY basis to INR0.03m in Q3FY15, provision for taxes remained nil in Q3FY15.
- Consequently, adjusted PAT increased by 93.9% YoY from INR2.6m in Q3FY14 to INR5.0m in Q3FY15.

Table 1: Q3FY15 snapshot

(INRm)	Q3FY15	Q3FY14	YoY %	Q2FY15	QoQ%	9MFY15	9MFY14	YoY %
Revenue	62.0	61.4	1.0	72.1	-14.0	182.6	170.8	6.9
EBITDA	8.1	5.6	44.4	7.1	13.8	19.7	16.5	18.9
PAT (Adjusted)	5.0	2.6	93.9	4.0	23.2	10.5	7.7	37.0
PAT (Reported)	1.5	-0.9	259.1	4.0	-63.4	7.0	4.2	68.0
Ratio								
% of sales	Q3FY15	Q3FY14	YoY %	Q2FY15	QoQ%	9MFY15	9MFY14	YoY %
Raw Material	23.5	26.5	-3.0	25.2	-1.7	25.0	28.9	-3.9
Staff Cost	7.3	12.1	-4.8	7.9	-0.5	7.9	7.0	0.9
Other Expenditure	56.1	52.3	3.8	57.1	-0.9	56.4	54.4	1.9
EBITDA	13.0	9.1	3.9	9.8	3.2	10.8	9.7	1.1
Tax Rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPM	8.0	4.2	3.8	5.6	2.4	5.8	4.5	1.3

Source: Company, Varhad Research

Quarterly performance in charts and tables

Table 2: Detailed Q3FY15 Overview**

	Q3FY15	Q3FY14	YoY %	Q2FY15	QoQ%	9MFY15	9MFY14	YoY %
Revenue	62.0	61.4	1.0	72.1	-14.0	182.6	170.8	6.9
Raw Material Cost	14.6	16.3	-10.4	18.2	-19.9	45.6	49.4	-7.5
Staff Cost	4.5	7.4	-38.7	5.7	-19.8	14.4	11.9	20.6
Other Expenditure	34.8	32.1	8.4	41.2	-15.5	102.9	93.0	10.6
Total Cost	53.9	55.8	-3.4	65.0	-17.1	162.9	154.3	5.6
EBITDA	8.1	5.6	44.4	7.1	13.8	19.7	16.5	18.9
Depreciation	1.8	1.7	5.9	1.8	0.0	5.3	4.9	6.9
EBIT	6.3	3.9	60.7	5.3	18.3	14.4	11.6	24.0
Interest Expenses	1.4	1.4	-0.4	1.3	4.8	3.9	4.0	-1.0
Non-Operating Income	0.0	0.0	250.0	0.0	366.7	0.0	0.0	70.0
PBT	5.0	2.6	93.9	4.0	23.2	10.5	7.7	37.0
Provision for Tax	0.0	0.0	*	0.0	*	0.0	0.0	*
PAT (Adjusted)	5.0	2.6	93.9	4.0	23.2	10.5	7.7	37.0
Extra Ordinary	-3.5	-3.5	0.0	0.0	*	-3.5	-3.5	0.0
PAT (Reported)	1.5	-0.9	259.1	4.0	-63.4	7.0	4.2	68.0

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

Chart 1: Sales trend

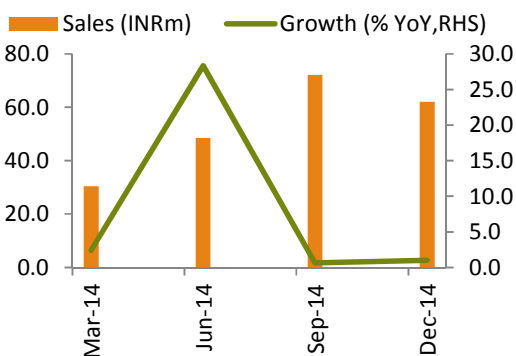


Chart 2: EBITDA trend#

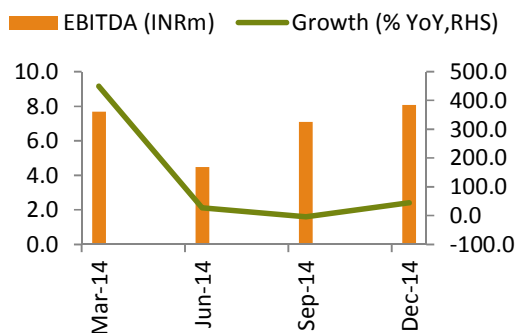


Chart 3: Margin trend

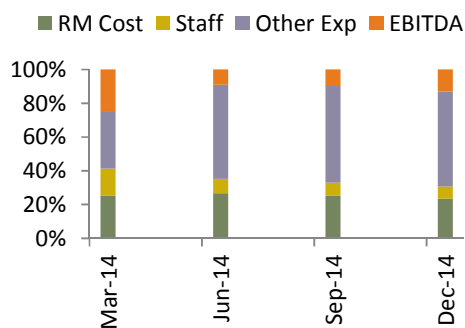
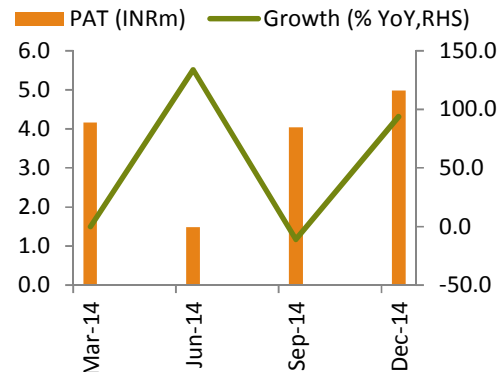


Chart 4: PAT trend#



Source: Company, Varhad Research

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