



“Q2 FY12 Earnings Conference Call of Dhunseri Petrochem & Tea Limited”

November 04, 2011



**SPEAKER: Mrigank Dhanuka, Vice Chairman and Executive Director
Rajiv Sharma, CFO**



- Moderator:** Good afternoon, ladies and gentlemen. I am Varun Puri, the moderator for this call. Thank you for standing by and welcome to the Dhunseri Petrochem & Tea Limited Conference Call. For the duration of presentation, all participants' line will be in a listen-only mode. There will be a presentation followed by a question-and-answer session. I would like to now hand over the conference to Mr. Ricky Vora. Over to you, sir.
- Ricky Vora:** Thanks, Varun. Prism - Trisys welcomes everyone to the conference call of Dhunseri Petrochem & Tea Limited to discuss its quarter two financial results. Today we have with us management team Mr. Mrigank Dhanuka, Vice Chairman and Executive Director; and Mr. Rajiv Sharma, CFO. Now I will hand it over to Mr. Sharma to make the opening remarks so that he can brief us on the numbers and expansion of grades at Haldia plants and then we can open for the Question&Answer round. Over to you, Mr. Sharma.
- Rajiv Sharma:** Good afternoon, everyone. This quarter of September generally was good except for the forex fluctuation. We have seen our turnover going up, partly flat by an increase in the raw material cost. Operating profits have been good but not in lines with the last year's comparative figures. We have seen sales volume of about 48,000 tons and EBITDA has improved from the previous quarter. Q1FY12 had seen an EBITDA on the PTA 28 crore whereas tea was at 12 crore. This quarter we have seen an EBITDA of 40 crore and tea contributing another 15 crore. For the expansion in Haldia and Egypt, I request Mr. Mrigank Dhanuka to brief.
- Mrigank Dhanuka:** Both the expansion in Haldia as well as in Egypt are on schedule. We expect the Haldia factory to be mechanically completed by mid March and the commercial production to be started within April. As far as Egypt is concerned, we are slated for the end November mechanical completion next year with a startup by end of December latest. Regarding the IT building, we are going to complete the construction of the first phase by June next year. So we should be in a position to start leasing out second half of next year. I think that's about it as far as the expansion plans are concerned.
- Moderator:** Participants, if you have a question, please press "0" "1" on your telephone keypad and wait for your name to be announced. Participants, I repeat, if you have a question for today's speakers, please press "0" "1" on your telephone keypad and wait for your name to be announced. We have our first question



comes from Vinay Agarwal. Vinay, your line is unmuted, please go ahead.

- Vinay Agarwal:** This is Vinay from Crisil. My question is regarding the foreign exchange losses on the term loan. As I understand that around 30 crore of FCCB are outstanding in FY11. So on the 30 crore loan, the company has reported a loss of 20 crore. So can you put some light on it?
- Mrigank Dhanuka:** Vinay, as you know, the expansion project of doubling Haldia is going on. We have drawn a substantial amount of loan for funding this project.
- Vinay Agarwal:** Okay. In which currency?
- Mrigank Dhanuka:** It is in dollar. So on one side, we are saving definitely on the interest.
- Vinay Agarwal:** When do you start from?
- Mrigank Dhanuka:** 2013 onwards. This is a mark-to-market provision. So once the currency against the rupee appreciates, this loss will be reversed.
- Vinay Agarwal:** Okay. On the foreign exchange losses on the monetary items, I suppose these are mostly on the payables that the company has reported?
- Mrigank Dhanuka:** Absolutely, you are right.
- Vinay Agarwal:** So when are these payables due? Because once you pay them, it's a complete loss that you have to book again.
- Mrigank Dhanuka:** You're right but this is all payable in the next six to nine months' time.
- Vinay Agarwal:** Okay. So within that timeframe if the rupee appreciates, then that could be reversed. Otherwise, the 23 crore loss the company has to book then?
- Mrigank Dhanuka:** Yes, you are right.
- Vinay Agarwal:** Okay. Sir, is the company doing anything on the PTA front because again in this quarter the utilization rate though quite healthy at 100%, it has come down from 100% to 7% because of the shortage of PTA in the domestic market?



- Mrigank Dhanuka:** Actually, we have been short by raw material suppliers of – earlier what was happening is we were on a pro-rata allocation but now even if there is a shortage, therefore supplying us PTA because we are next door and then supplying to other people.
- Vinay Agarwal:** Okay. So the complete PTA supply from the Mitsubishi plant?
- Mrigank Dhanuka:** Yeah. We are imported on 10% but that's negligible.
- Vinay Agarwal:** Okay. That's all from my side.
- Moderator:** Thank you, Vinay. The next question is from Devang Mehta. Devang, your line is unmuted, please go ahead.
- Devang Mehta:** Actually, there are a couple of questions. First one, I would like to know that exports have gone down. So in which particular countries have the exports gone down? Can I get an idea?
- Mrigank Dhanuka:** In more than 60 countries, we have customers. I mean, you can get the idea but it's actually irrelevant. But I can tell you we're selling mostly in Europe and we have reduced the sales, we have cut down our sales because we are selling more in the local market. Today we can sell four, five times if we want to but we don't have more products. I understand the reason for your question but it's not that we don't have enough market or customers. It's nothing like that.
- Deband Mehta:** Okay. Is there any capacity expansion worldwide due to which we are seeing reduced exports?
- Mrigank Dhanuka:** No. We are selling more in the local market as I said where we get better realizations. So we sell. That's why the exports have gone up. Otherwise we can sell five times more, as I said.
- Devang Mehta:** Okay. Another thing is, how frequently are the packed prices revised if at all we are to contract it or when you are selling how frequently they will revise?
- Mrigank Dhanuka:** Not much. Monthly.
- Devang Mehta:** It is on a monthly basis.
- Mrigank Dhanuka:** If there is a contract, it's monthly. Spot changes everyday.
- Devang Mehta:** Okay. As I see it, inventory has gone up substantially.



- Mrigank Dhanuka:** Inventory has gone up. Yes, it was a little on the higher side because we saw sudden fall in the raw material prices and finished goods prices because of which suddenly customers stop buying material. You know, they started depleting their stock. So we incurred our heavy inventory but now we have depleted it. So by the end of December, we will be back to eight days of inventory.
- Devang Mehta:** Then, what is the price? This inventory will be at a higher cost. So will we see a mark down when we sell this inventory in the coming quarter?
- Mrigank Dhanuka:** November, December is okay. October, we might see a little mark down.
- Devang Mehta:** Okay.
- Mrigank Dhanuka:** I mean, we won't lose money but make less money.
- Devang Mehta:** Okay. Another thing was about the IT. We have given a cost estimate of 130 crore. Can I get some update or status on how it is because you just said that it's by the second half? What are the costs incurred so far?
- Mrigank Dhanuka:** That Mr. Sharma can send you but approximately total project cost for first phase will be around 55 crore. And second phase which is the other half will be a little more than that. Maybe 60-65 crore. Total cost, we think we will incur around 120 crore on the project.
- Devang Mehta:** And at the same time, we have given cost estimate of 160 million dollar for Egypt plant which comes to around 720 crore at that time. But how do we see it as of now because the rupee has depreciated?
- Devang Mehta:** But when we reported in India, will we see any changes?
- Rajiv Sharma:** See, our equity contribution is also in dollar terms. Loan is also in dollar terms. Substantial part of purchase are in dollar except very small portion in Europe. It's all dollar converted into rupee. So if the project cost also goes up, my equity contribution will also reflect.
- Mrigank Dhanuka:** Almost 80% of the money we remitted from India at the older rate. So next amount that is to be remitted is going to be only in next year, six months later or so. So there is no issue right now.



- Devang Mehta:** Okay. So we maintain our cost estimate at 160 million dollar?
- Mrigank Dhanuka:** Yes, of course.
- Devang Mehta:** Okay. Another thing is on our forex policy. We don't hedge any of our [Unclear] [0:11:21]. So going forward how far we set our foot forwards, for how many months?
- Mrigank Dhanuka:** If it's a three months' payment period, then we sell for whatever is the payment period.
- Rajiv Sharma:** Have you gone through our presentation which was sent to you?
- Devang Mehta:** I have just gone through it.
- Mrigank Dhanuka:** We have consistently been following this for the last five, six years. We have been selling for our exports and we are keeping our liabilities open.
- Devang Mehta:** Yeah, I got that but I just wanted to know how long...
- Rajiv Sharma:** We don't sell open. We only do based on the traction. If we have export which is for 90 days, we sell for 90 days. If it is for 30 days, we sell for 30 days.
- Mrigank Dhanuka:** As soon as sell our product, within one hour of selling the product, account has to book. So we are very safe on the sales front. On the purchase front, we cannot hedge because we have to pay our premium to hedge. When we sell, we actually receive a premium to hedge. So in the long run, we gain if we don't hedge on purchases.
- Devang Mehta:** Okay. And one question on the tea business, there are some policies that have been going though in that tea business. So how do we see that?
- Mrigank Dhanuka:** What policy are you referring to? I didn't understand.
- Devang Mehta:** There are around 100 crore of some budget for specifically tea business.
- Rajiv Sharma:** We did not get your exact question.
- Devang Mehta:** 100 crore budget for tea business. There was some policy in which government allowance for some 100 crore for tea business is in India.



- Mrigank Dhanuka:** You mean some subsidies? You are asking me a very miniscule, irrelevant to the business.
- Devang Mehta:** What are the average prices of freight right now?
- Rajiv Sharma:** Freight price is around \$1500.
- Devang Mehta:** And how do you see raw material prices going forward because we are not seeing any – as 84% of our total cost?
- Mrigank Dhanuka:** We see it stable to form for the raw material prices in the next six months.
- Devang Mehta:** Supposedly, are we able to draw down the prices? Are we able to give the prices to the customer?
- Mrigank Dhanuka:** Yes, of course.
- Devang Mehta:** Because the raw material cost has gone up by almost 35%.
- Mrigank Dhanuka:** It doesn't matter. I mean raw materials go up or go down. We immediately pass on the prices to the customer. That is the nature of the business.
- Devang Mehta:** Okay. Thank you. That's it from my side.
- Moderator:** Thank you, Devang. The next question is from Sachin Kashera. Sachin, your line is unmuted, please go ahead.
- Sachin Kashera:** My question is again a follow-up on forex. Can you give the breakup between the total forex, how much is on account of loans and how much is because of the credit side?
- Rajiv Sharma:** It is giving a [Unclear] business. 20 crore is on account of [Unclear]. 23 crore is on account of tea.
- Sachin Kashera:** Okay. And what is the approximate outstanding that we have at any point of time on the credit side, sir?
- Mrigank Dhanuka:** It depends on the value of the material. Currently, it is about 370 odd crore.
- Sachin Kashera:** This ECB, sir, what is the outstanding amount as of now on which we have reported the loss?



- Rajiv Sharma:** We have drawn about 45 million and there are some small amounts of previous loan outstanding. Substantial part of it will be repaid by March.
- Sahin Kashera:** Okay. This 45% ECB loan outstanding...?
- Mrigank Dhanuka:** This outstanding is for the new plan if we are going to start from 2013 onwards.
- Sachin Kashera:** But this loss on the ECB for the plants, can it be capitalized or it has to be Indian rupee only?
- Rajiv Sharma:** This option was given at the time of 2007 if you remember by the department. So many had take policies that we will charge the Profit & Loss account. So there is no division possible now.
- Sachin Kashera:** Okay. Just to follow up on one of the earlier queries that you mentioned where you said that all the receivable fee sailing forward whereas the liability we keep it open. Don't you think it's more prudent for us to actually hedge on both the sides to protect us because whenever we see volatility, we end up making losses?
- Rajiv Sharma:** Whatever business we do, there are some risks we always carry. We have analyzed this and we have found that this policy which we have been following for five, six years, we do not see positive result of it. There are some quarter to quarter variation but at the end of last five, six years we found we have gained.
- Sachin Kashera:** I understand your point that we have to take some risk in taking up a business but I understand our core competency would be more from the PET, ATE and tea, not that high on the forex front, so better – because most of the large companies also tend to normally hedge all the positions rather than keep it open.
- Rajiv Sharma:** That is a policy decision which a company has to take depending on the nature of business. If we try to take the coverage for this import also, we would have ended up paying another 15, 20 crore rupees annually as a premium. If you pay 4, 5% premium on your imports, then your business margin again contracts.
- Sachin Kashera:** Yeah, sir, but if rupee goes to 55, 56, do we have a policy in the sense that if rupee depreciates by so much, then we won't at least start covering in because the type of volatility we are seeing in forex in the global scenario, there could be a possibility where it says suppose rupee goes to 55, 56...



- Mrigank Dhanuka:** I will explain you again. For raw materials PTA and MEGCP is 70% of the raw material cost and MEG is around 30% of the raw material cost. PT is automatically hedged because we don't buy on credit terms. We are buying as an advanced payment. So the current exchange rate applies. As far as MEG is concerned, which is only 30%, we have very long payment terms, 180 days and even more, which means if I have to take the current spot hedging rate to make the transaction, I will be incurring a discount of 2 to 2.5% on the MEG which is around 25, 30 dollars a ton, which is a lot of money. Whereas when we sell PET we get a premium. That's why we make use of the premium and decide not to go in for such discounts to hedging. So it's only a very small portion of the total cost that is on hedge which is the MEG portion.
- Sachin Kashera:** Yeah. You are just seeing one quarter. We had almost 20 crore worth of loss. So in terms of absolute amount, figures are not small. Is it right? I'm just saying to figure out. I agree that you have taken a view but what I'm trying to figure out is if there is some cut-off that we have kept, okay, till 5% or 7% or 10% depreciation we will keep it open but beyond that we will start to hedge or is it that we have taken it, we will keep it completely open?
- Rajiv Sharma:** But you must have seen that this depreciating rupee which has happened has happened in seven days' time. This kind of volatility whatever precaution you may take, we will not be able to stay on. You cannot be prepared for a tsunami.
- Sachin Kashera:** No, no. I agree with that. What I am just trying to say is that is there any cut-off that we have that if rupee depreciates more than 8 or 10% in a year, then we go and hedge.
- Mrigank Dhanuka:** We have a foreign exchange expert who keeps on advising us including many inputs we get from banks. At this kind of volatility, nobody could predict. Otherwise, you would have definitely got an advice to book our imports immediately.
- Sachin Kashera:** As of now, we expect the rupee to again bounce back and we will continue to keep it all open, right?
- Mrigank Dhanuka:** The advice what we have got is that this range will move in the next six months and we will have to watch. We are not closed to all this forward looking but definitely we would not like to book a cost on account of this.



- Sachin Kashera:** Okay. And on the export front, sir, how are we placed now? How much have we sold? What is the status there?
- Mrigank Dhanuka:** On the export front, as I explained, we will keep on selling our exports, whatever is currently ordered in hedge.
- Sachin Kashera:** So this quarter, if you could maintain the current level, we should have a better relation on the export side.
- Mrigank Dhanuka:** Yes, absolutely. You are right.
- Sachin Kashera:** Okay. One question regarding on the operating numbers, how have the gross margins per kg moved in this quarter vis-à-vis June quarter and vis-à-vis September quarter last year?
- Ricky Vora:** We had sent out a presentation to all the investors which gives all the details.
- Sachin Kashera:** Unfortunately, I have not got the presentation.
- Ricky Vora:** Maybe, it has not reached you. If you could just take down your e-mail ID, I will just mail to you. This gives you the data in terms of PAT. It gives your realization and the EBITDA for return of PAT both for September versus September of last year and sequential as well. I will send in the next two minutes to you.
- Sachin Kashera:** Sure. It's sachin@luckysec.com if you can just mail it.
- Ricky Vora:** Lucky Securities, absolutely. You will have it in the next five minutes, Sachin.
- Moderator:** Thank you, Sachin. The next question is from Devang Mehta. Devang, your line is unmuted, please go ahead.
- Devang Mehta:** One more question. Can I know what is the differential between the sizes of freight domestically and internationally?
- Mrigank Dhanuka:** Differential is there because the raw material cost is higher for domestic raw material and raw material cost is lower for raw material for finished product that is for exports because of customer duty. So there is maybe 10-15 dollars, not much.
- Devang Mehta:** So wouldn't it make much more sense to export at a time when we have benefit in the raw material front and also benefit on the rupee depreciation also but consequently what we see is our



export has gone down? If we had done opposite way with more of exports, then we would have been in a much better place.

Mrigank Dhanuka: Domestic price is adjusted every month taking into account the exchange rates. So we would not get any benefits if we want to export. Net to net basis, domestic prices are better by 10-15 dollars after adjusting for the higher raw material cost.

Devang Mehta: Okay. Thank you.

Moderator: Thank you, Devang. Participants, I repeat, if you have a question for today's speaker, please press "0" "1" on your telephone keypad and wait for your name to be announced. Thank you. The next question is from Dimple Seth. Dimple, your line is unmuted, please go ahead.

Dimple Seth: I wanted to know that what has been the tea realization for this quarter?

Rajiv Sharma: It's about Rs. 134 on our own.

Dimple Seth: Sir, going ahead, do you think they would increase because currently the tea production is quite low in the major tea producing countries? Do you think potential business is coming out from this in this year?

Mrigank Dhanuka: I don't know. I mean, it could be higher, it could be stable but – production is low in countries like Kenya and Sri Lanka but it's difficult to predict. I can't really make a prediction for you on this matter.

Dimple Seth: Okay, sir. Any guidance if you could give for the whole year, the overall revenues in the margins are going to look like?

Mrigank Dhanuka: Operationally, earnings should be similar but we can't talk about foreign exchange gains and losses. That's totally different but operationally it should be very much similar to this year.

Dimple Seth: Okay. How much loan do you have in foreign currency?

Mrigank Dhanuka: Long term debt, after expansion is completed, we would be having close to 60-65 million dollars.

Dimple Seth: And this is an ECB extension?

Mrigank Dhanuka: Exactly.



Dimple Seth: So no FCCB?

Rajiv Sharma: It's ECB.

Dimple Seth: ECB, okay. Sir, it would be great if I could receive your presentation because I have not received that.

Rajiv Sharma: We will request Ricky to send it to you.

Ricky Vora: Just give me your e-mail ID so that I can send it right now.

Dimple Seth: It's dimple@sksspl.com.

Ricky Vora: Okay. Thank you.

Dimple Seth: Thanks a lot. That's from my side. Thanks a lot.

Moderator: Thank you, Dimple. The next is from Sachin Keshri. Sachin, your line is unmuted, please go ahead.

Sachin Keshri: Sir, I just wanted some update on the expansion in India as well as in Egypt. What is the type of payback that we can look for both these projects, sir?

Rajiv Sharma: We are looking at ROI of 22%.

Sachin Keshri: For both the projects.

Rajiv Sharma: Yes. Egypt should be slightly better.

Sachin Keshri: Okay. Thank you very much, sir.

Ricky Vora: Sachin, it's Ricky and if can comment, if you broadly look at the way this business operates, we expect a total quantum of production to go from say about 210,000 tons in the current environment capacity that we have in Haldia, about 420 next year. So you will get an incremental of about 210,000 tons for next year on the Haldia side. But if you see the company on the freight side, it has been operating at the lower range of EBITDA margin for about Rs. 6 a kg. The mid range is about Rs. 8 to 9 a kg. We are in the higher range is about Rs. 12 a kg. It's difficult to take a call in terms of where do we stand. Like last sequential quarter, we were at about Rs. 6 a kg; this year, we returned to normalcy of about Rs. 8.5 and 9 a kg. Even if you take about Rs. 8 and 8.5 a kg, we are talking of an incremental EBITDA of close to about 160, 170 crore from next year from the incremental Haldia production. But if you see at that level,



given the kind of total expansion that we would be doing, this would translate into ROI of close to about 22-23% with revulsion of payback of about four years. Now if the commodity size will pick up, at the end of doing – what we did in 2010-11 which is roughly about Rs. 12 to 13 a kg. In that case, the payback comes down to about two and a half years. It would be safe to assume that on the worst case scenario you are looking at the four-year kind of a payback. If you are lucky, it comes to two and a half to three years. Same is the case and it will happen in the following year because in the following year you get another 210,000 tons of production because part of Egypt goes on stream and then subsequently you get another 210. Essentially, in the next 24 to 36 months, you will see our production going up from 210,000 to roughly about 2,50,000 tons. I don't know, Sachin, if you were there in the three years, all that we did for the first quarter presentation. Mrigank mentioned that though our rated capacity would be close to about 820,000 to 8,30,000 tons post strategic expansion, normally we do about 25% more than that, which means that safely you get close to about a million ton production on stabilization in around 13, 14, 15 kind of a scenario. Which means, roughly on a million ton, if you take an average EBITDA of roughly about Rs. 9 a kg, we are talking about 750 to 900 crore of EBITDA in the worst case scenario in three years. That's why we were also pretty excited about the way Dhunseri has been growing its business. Essentially, if the business throws up a lot of cash, if they are using cash to set up and expand the plant without [Unclear] [0:29:39] the whole fund begins next year because when you start getting the ticker of incremental cash.

- Sachin Keshri:** Sure. In terms of the working capital requirements, what is the type of scene it would put on the balance sheet once these volumes above four, five times?
- Ricky Vora:** Sachin, it's 22% ROI that we told you about. It was lost on capex plus working capital. Your working capital would be roughly about 30% of your fixed capex. Rajiv, am I correct?
- Rajiv Sharma:** Roughly.
- Sachin Keshri:** Okay. But what would we do in terms of net equity?
- Ricky Vora:** Very comfortable. Unfortunately, you are looking at the business that even today you are zero net on the net basis. Going forward also, given the kind of cash that the business will throw up, you will not see debt-equity switching beyond 0.5 in



the next three to five years. In the one year which was similar to last year, probably you will see the company again being debt free. So this is not one of the companies for expansion we need because of debt.

Sachin Keshri: So this 852 million tons that you are talking in FY15 or FY14?

Ricky Vora: So FY14-15, you will get the full benefit of that 800,000 tons.

Sachin Keshri: So incremental realization, here onwards, 200 to 250,000 tons in initial production. Right?

Ricky Vora: Yeah.

Sachin Keshri: So next year should be around 4 plus and 15 should be 6 and 6.5, and it ends up as 9 in 15, right? Is it what we are putting up?

Rajiv Sharma: If the planning which we are having, utilization maybe in 13-15 you will see 800,000 tons.

Sachin Keshri: One question, sir, as a follow-up to the previous question wherein it was mentioned that the business throws up a lot of cash and you would have for the entire expansion that it could win pretty comfortable. In that scenario, are we looking in terms of consistent dividend policy or maybe even increasing the overall dividends here? What is the policy on that front?

Rajiv Sharma: We had got this feedback earlier also. We have been paying dividend consistently.

Sachin Keshri: Yeah, but right now I see a low – it's around I think 14-15%.

Rajiv Sharma: That's correct. What we have seen is that the nature of business demands some sufficient amount of cash on the balance sheet. And since there were a lot of expansion on the pipeline, we have not gone for a very aggressive dividend policy. As and when situation arises, we will review our policy on that.

Ricky Vora: Sachin, if I can come in over here, if you totally look at the PET business per se, I don't know if you have got the chance to come to our analysts' meet that was hosted by the company in the month of June. One of the things that we shared with the investment community was we are a part of the PET. This is essentially sort of a country perspective or a broader penetration story. As we move more, we get more rich. The question that we ask ourselves is, will Indians drink more bottled water. This



is exactly linked to that. We are just scratching the surface of the industry. Just to give you a perspective, the size of this total industry would be roughly about 17 million tons. Of that, the entire North America is roughly about 3.5 to 4 million tons. China, this year will be 4 million tons. Now if you map up China's economic growth, in the last 20 years, the PET demand is China has grown at a ticker of 20%. So that's the kind of potential the business has seen and demonstrated in the country which is very close to China. This whole growth was largely about population growth.

Sachin Keshri:

I fully appreciate the point that you are making. This was just a follow-up from the previous answer which you have mentioned. In that even after quadrupling our capacity in a gap of 36 months, the company would still be pretty comfortable on debt-equity and generate strong cash flows. That will create large opportunities. The company will see a lot of surplus cash. So either if you can get some clarity as to what is the management vision when you start generating lots of cash, is it going to result in terms of higher dividend payout for us or is the management also looking at certain alternatives which could again lead to a very big expansion or some other opportunities or some other sectors we were looking at.

Ricky Vora:

Sachin, the question that we as a management will ask ourselves is very simple. Let's assume we end in 14-15 and we are talking about 900 crore kind of EBITDA coming at the EBITDA region and then you have an incremental of about 100, 150 crore of tea EBITDA coming. The question we will ask ourselves as the custodian of your wills and our families' wills, it can be deployed as a capital to grow this business. If the business is throwing a 25-30% ROI on the worst case scenario basis, if there are not so many places – today it's just [Unclear], Reliance and Dhunseri in this entire space today. The kind of aggression that Dhunseri is currently showing – we don't know if the other two guys are currently showing, they are into different other businesses as well. Come 2014-15, if you see a much bigger opportunity to deploy your capital growth of 30-35%, we will take it a call. If you believe that there are more players who have come and therefore the ROIs have crunched from 20% to 16% or 18%, we would rather give this money back to you so that you can deploy it well. But as of now, the only point that I was trying to make to you is that the growth opportunities in this business represent a so dramatically different and a lot of other businesses plus the competition is very low. There are only three domestic manufacturers. I just



wanted to answer the dividend question in that light that it's too far away. The opportunities are huge.

Sachin Keshri:

But from what I understand I think the investors would be much more happy. That's why I share with you from our side. We would be much more happy with the type of business you are doing. If the dividend could be stepped up, I think it will be much more appreciated by minority shareholders. Thank you.

Moderator:

Thank you, Sachin. Participants, I repeat if you have a question, please press "0" "1" on your telephone keypad and wait for your name to be announced. Thank you. At this time, there are no further questions from the participants. I would like to hand the floor back to Mr. Vora. Over to you, sir.

Ricky Vora:

Thanks, Varun. Present crisis is managing investor relations for Dhunseri Petrochem & Tea Limited. So in case, anyone wants to get in touch with the management, then feel free to mail me at ricky@prism.net.in. If any of you have not got the presentation, please mail me so that I can give the presentation. With this, we conclude the conference call. Have a pleasant evening.

Moderator:

Thank you. Participants, I request you all to please disconnect now. Thank you.