



Dhunseri Petrochem & Tea Limited

Q1 FY12 Results

About Dhunseri Petrochem & Tea Ltd

Rs.1500 cr Kolkata-based organisation with interests in and PET resin.

The company is expanding its PET footprint through:

- Commissioning a second unit in Haldia (210,000 TPA).
- Commissioning a greenfield 420,000 TPA plant in Egypt
- This will graduate the company into the global top 10
- Company is also extending into its third business - IT infrastructure development with 750000 sq ft & 1st phase is expected to complete by Sep 2012 & 2nd phase by 2013 last quarter.
- Post-expansion (2013) topline projected at Rs. 5000 cr (Rs 1652 cr in 2010-11).

Financial Results

Particulars (Rs in Crs)	Q1 FY 12	Q1 FY 11
a) Net Sales/Income from Operations	476.72	347.85
b) Other Operating Income	10.39	8.95
Total Income	487.11	356.80
Expenditure		
a) (Increase)/Decrease in Stock in Trade and Work-In-Progress	(19.38)	(12.52)
b) Consumption of Raw Materials	406.68	269.69
c) Purchase of Traded Goods	4.78	-
d) Employees Cost	13.27	11.71
e) Power and Fuel	12.94	12.99
g) Other Expenditure	35.96	32.48
h) Total Expenditure	454.25	314.35
EBITDA	32.86	42.45
Other Income	7.86	1.98
Foreign Exchange Fluctuation Gain / (loss) on term Loan Liability	(0.11)	(4.14)
Depreciation	7.88	6.55
EBIT	32.74	33.74
Interest	8.07	4.20
Tax Expense	2.92	11.10
PAT	21.75	18.45

Financial highlights

Though the total income has increased by 38% from Q1 FY11 to Q1 FY12, the EBIDTA Margins have declined from 12% in Q1 FY11 to 7% in Q1 FY12. This is due to increase in Raw Material prices.

The production for PET business increased from 48588 MT in Q1 FY11 to 51872 MT in Q1 FY12 with 106% production capacity utilization.

Y-o-y RM consumed as % of sales has increased from 76% in Q1 FY11 to 83% in Q1 FY12 & q-o-q increase from 60% in Q4 FY11 to 83% in Q1 FY12. Sharp increase in RM prices.

EBIDTA Margins have also declined q-o-q from 9% in Q4 FY11 to 7% in Q1 FY12

Volume of Tea has increased from 2020 MT in Q1 FY11 to 2532 in Q1 FY12 growth of 25%. This has contributed to higher EBIDTA margins as well.

Net Profit has increased Marginally from Rs 18.45 crs in Q1 FY11 to Rs 21.76 crs in Q1 FY12 due to MAT credit & reversal of Deferred Tax.

The Foreign Exchange Fluctuation Loss reduced from Rs 4.14 crs in Q1 FY11 to Rs 0.10 crs in Q1 FY12.

Operational Highlights

Segment Details	Q1 FY12	Q1 FY11	Q4 FY11	y-o-y (%)	q-o-q (%)
Sales – PET (Rs. Cr.)	443	321	447	38%	-1%
Sales – TEA	34	27	24	27%	43%
Total Sales	477	348	471	37%	1%
Sales – TEA	34	27	24	27%	43%
Volume – PET (MT)	51,872	48,588	52,348	7%	-1%
Volume – TEA (MT)	2,532	2,020	1,944	25%	30%
Realization/Tonne – PET	85,310	66,028	85,415	29%	0%
Realization/kg – TEA	135	134	123	1%	10%
EBIDTA/Tonne – PET	5,608	6,616	11,781	-15%	-52%
EBIDTA Margin (%)	7%	10%	14%		
EBIDTA/kg – TEA	51	40	(42)	27%	223%
EBIDTA Margin (%)	38%	30%	-34%		

Industry Development

- Small reduction in PET import duty (6.5% to 4.875%) from South Korea will affect competitiveness
- JBF-RAK announced a plan to build 400,000 MT of PET capacities co-located with additional PTA capacities from BP at the Geel (Belgium) facility. The new unit expects to begin commercial production in 2014.

Expansion Update

Haldia expansion (From 200,000 MT to 410,000 MT)

- Land possession letter received
- Road and drain construction in progress
- CP superstructure 60% complete
- SSP superstructure 20% complete
- Project progressing as per schedule
- Rs. 99.56 cr capex incurred till 30-06-2011

Egypt project (420,000 MT)

- Engineering design review complete
- Proposal for utilities connections being reviewed
- Excavation started from 18-06-2011
- Foundation stone laying ceremony held on 23rd June 2011 to mark start up of construction activities at site. Attended by Oil Minister, Suez Governorate, GAFI Chairman and Indian Ambassador in Egypt
- USD 23.05 million spent on Egypt project till 30-06-2011

A re-cap of things to come

Company expanding its PET footprint through the following:

Putting up another unit of 210,000 TPA in Haldia, West Bengal.

Setting up a greenfield 420,000 TPA plant in Egypt

This will put the Group among top 10 producers of PET in the world

Company increasing its tea production from 10 million kgs to 17 million kgs.

Company moving into IT infrastructure development

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Thank you