Dhunseri Petrochem & Tea Limited

Earnings Update Q2FY13

About Dhunseri Petrochem & Tea Ltd

Rs.2000 cr Kolkata-based organization with interests in PET resin and Tea

- The current PET manufacturing capacity is 410,000 TPA .
- Capitalizing on new technology for specialty grade barrier Resin from M&G. Expected to boost the bottom line from 2014 onwards

Expansion of PET business by 4x:

- Second unit at Haldia with a capacity of 210,000 TPA was inaugurated on October 9, 2012.
- By Q1FY14, company expects to commissions its 420,000 TPA capacity at Egypt
- This will graduate the company into top 10 global PET manufacturers
- Post-expansion, FY14 topline projected to quadruple (Rs. 2000 cr in FY12)

- **Tea Division –**
- With the recent acquisition of tea estates in Africa, the annual production is expected to reach ~20 million kgs
- On October 18, the Board has approved the sale of one Tea Factory, Shreemoni Tea Factory to Joonktollee Tea & Industries Ltd at Rs 7.65 crore, subject to the approval of the shareholders.

- Company is also engaged in unlocking its Real Estate value by developing Infrastructure for IT companies on its 750000 sq ft. land - 1st phase of 375000 sq ft. is expected to completed by Q4 FY13

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Dhunseri is now India’s largest PET maker

- With the launch of the second PET plant in Haldia, India, Dhunseri has become the largest PET producer in India. It is the second unit of the company at Haldia.
- Inaugurated on 9 October 2012, the new plant was successfully commissioned with the capacity of 2,10,000 TPA. However, the plant is yet to begin commercial production and still under testing phase.
- Thus, with this expansion, the total company's production volume of PET will grow to 4,10,000 TPA.
- Half of the total PET output is aimed to meet domestic requirements while the rest of the production will be exported to the foreign markets to earn about Rs. 2000 cr of foreign exchange.
- Funded through a debt of Rs 233 crore and balance Rs 152 crore through internal accruals, the plant has been built at a total cost of Rs. 385 crores (including capitalisation of foreign exchange for Rs 36 crore).

Q2FY13 Financial Result - Standalone

Particulars (Rs cr)	Q2 FY13	Q2 FY12	y-o-y%	Q1 FY13	q-o-q%	H1FY13	H1FY12	y-o-y%	FY12
Income from Operations	465	451	3%	481	-3%	946	927	2%	1,943
Other Operating Income	9	8	15%	6	43%	15	18	-18%	37
Total Income from Operations	474	458	3%	487	-3%	961	945	2%	1,979
Expenditure									-
(Increase)/Decrease in stock in trade & WIP	(14)	(23)		(38)		(51)	(38)		(12)
Raw material	375	356	5%	418	-10%	793	762	4%	1,560
Employee cost	16	14	12%	15	5%	30	27	12%	54
Other Expenditure	59	63	-6%	53	11%	113	112	0%	236
Total Expenditure	436	410	6%	449	-3%	885	864	2%	1,838
EBITDA	38	48	-21%	38	-1%	76	81	-6%	142
EBITDA Margin (%)	8%	11%		8%		8%	9%		7%
Depreciation	8	8	6%	8	3%	17	16	5%	33
EBIT	30	40	-27%	30	-2%	60	65	-8%	109
Interest Cost	7	9	-26%	9	-22%	16	18	-10%	41
Other Income	7	6	13%	19	-64%	26	13	101%	25
PBT	30	37	-20%	40	-27%	70	60	16%	93
Tax	4	2	73%	3	58%	7	5	28%	10
PAT before Forex	25	35	-27%	38	-33%	63	55	15%	83
Forex Gain/(Loss)	22	(43)	-151%	(44)	-150%	(22)	(42)	-47%	(34)
Reported Net Profit	48	(9)	-	(7)	-	41	13	216%	49

Balance Sheet - Standalone

Particulars in Rs cr	As at current half year ended 30/09/2012	As at previous year ended 31/03/2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	35.03	35.03
Reserves and surplus	737.90	711.58
Sub total -Shareholders' funds	**772.94**	**746.62**
Non-Current Liabilities		
Long-term borrowings	361.01	350.29
Deferred tax liabilities (Net)	74.14	72.38
Other Long term liabilities	0.50	0.50
Long term provisions	1.91	2.20
Sub total -Non Current liabilities	**437.55**	**425.36**
Current Liabilities		
Short-term borrowings	386.49	392.75
Trade payables	464.43	441.18
Other current liabilities	93.19	74.38
Short-term provisions	2.29	20.59
Sub total -Current liabilities	**946.40**	**928.90**
Total- EQUITY AND LIABILITIES	**2,156.89**	**2,100.87**
ASSETS		
Non-Current Assets		
Fixed assets *	962.46	924.53
Non-current investments	160.11	163.52
Long term loans and advances	97.14	49.64
Other non-current assets	1.89	1.65
Sub total -Non Current assets	**1,221.60**	**1,139.34**
Current Assets		
Current investments	33.00	59.01
Inventories	418.53	227.40
Trade receivables	174.02	251.68
Cash and Bank balances	159.88	276.32
Short-term loans and advances	107.87	103.37
Other current assets	41.98	43.75
Sub total -Current assets	**935.29**	**961.54**
Total-ASSETS	**2,156.89**	**2,100.87**

* includes Capital Work in Progress of new PET Resin plant at Haldia amounting to Rs 377 crore.

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Q2FY13 Financial Highlights

- Total income from operations increased by 3% y-o-y from Rs. 451 cr in Q2FY12 to Rs 465 cr in Q2FY13 and decreased by 3% q-o-q from Rs. 481 cr in Q1FY13
- The cost of raw materials as % of sales stood at 85% in Q2FY13 compared to 86% during the same quarter of the previous year.
- For the quarter ending Sept-2012, the profit after tax stood at Rs. 48 cr compared to loss of Rs. 9 cr during the corresponding quarter previous year.
- Current quarter includes foreign exchange gain of Rs 22 cr against loss of Rs 43 crore during the corresponding quarter previous year
- For the quarter ending Sept-2012, the production of PET resin was 50,854 MT compared to 48,868 MT during the corresponding quarter previous year.
- For the quarter ending Sept- 2012, the production of tea was 46.58 lac kgs compared to 59.08 lac kgs during the corresponding quarter of the previous year.

Q2FY13 Operational Highlights

PET - Division	Unit	Q2FY13	Q2FY12	y-o-y %	Q1FY13	q-o-q %
PET Sales Volume	MT	50,025	47,469	5%	51,166	-2%
Sales – PET	Rs cr	413	400	3%	449	-8%
EBIDTA – PET	Rs cr	20	34	-40%	29	-30%
EBIDTA/Kg – PET	Rs	4	7	-43%	6	32%
PET Delta	Rs/MT	12,602	15,422	-18%	13,260	-5%
Export – PET	Rs cr	133	104	28%	94	42%
Realization/Tonne – PET	Rs	82,495	84,314	-2%	87,676	-6%
RM/Sales – PET	%	85%	86%		85%	
TEA – Division		**Q2FY13**	**Q2FY12**	**y-o-y %**	**Q1FY13**	**q-o-q %**
TEA Sales Volume	MT	3,437	5,908	-42%	1,966	75%
Sales – TEA	Rs cr	52	50	4%	32	64%
EBIDTA – TEA	Rs cr	18	15	21%	10	76%
Realization/Tonne – TEA	Rs	152,598	116,126	31%	164,854	-7%

Expansion Progress

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

- SSP building superstructure 100% complete
- HTM Coal Heater and Furnace oil heater plants erection is 100% complete
- Equipment erection is 100% complete
- Mechanical Completion done on 31-May-2012
- Plant inaugurated on October 9, 2012
- Commercial Production expected shortly.

Egypt project (420,000 MT)

- Mechanical Completion of both lines is scheduled for end March 2013
- Order placed for all major equipments
- Civil work going on in full swing
- Cost incurred till 30-09-2012 is USD 103 mn

Outlook: FY13E

- In the year 2012-13 we are expecting significant improvement in our top line and bottom line on account of new PET capacity addition in Haldia.
- By Q4 FY 2013, company to commission its 420,000 TPA capacity in Egypt
- Post-expansion, FY14 topline projected to quadruple (Rs 2000 cr in 2011-12)
- The coming year should also be better for tea business as we will have additional realisation from bought leaf factories and improved production

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Thank you