

PRESS RELEASE

Dhunseri Petrochem & Tea Ltd. (DPTL) posted the following results for the year ended 31st March, 2014.

Net Sales, EBITDA & PBT for the year ended 31st March, 2014 are ₹ 3918.20 Crs., ₹ 214.49 Crs. and ₹ 100.64 Crs. respectively. The Net Sales, EBITDA & PBT for the year ended 31st March, 2013 was ₹ 2353.57 Crs., ₹ 182.25 Crs. and ₹ 99.85 Crs. respectively. EPS for the year works out to ₹ 21.33 after providing for deferred tax of ₹ 13.71 Crs.

The cash profit for the current year ended 31st March, 2014 amounted to ₹137.17 Crs. as compared to ₹ 127.33 Crs. for the previous year ended 31st March, 2013.

Profit after tax (PAT) has fallen slightly to ₹ 74.71 Crs. in the current year ended 31st March, 2014 as compared to ₹ 76.94 Crs. in the previous year.

The reason of such lower margin was on account of (i) lower price realisation in export sales vis-a-vis domestic sales on account of sale of PET at lower prices from China in international market, (ii) fall in raw material prices majorly during 4th quarter of the FY2013-14 causing absorption of high cost of inventory, (iii) higher Forex loss at ₹ 65 crs from ₹ 45 crs in the last year on account of increased import of MEG for increased production, (iv) profit from sale of Namsang tea estate which had accrued in FY2012-13 without any comparable other income in the current year.

The Board of Directors have recommended dividend @ ₹ 4.50/- per Equity Share of ₹ 10/- each for the year ended 31st March, 2014, maintaining the last year's rate.

In respect of the Petrochem Division

The PET resin Plant I and Plant II at Haldia operated at 104% and 97% capacity utilization respectively during the year ended 31st March, 2014.

With the commissioning of Plant II at Haldia the production of PET resin increased from 2,69,249 MT in 2012-13 to 4,12,038 MT in 2013-14 thus achieving more than 100% capacity utilization for both the plants taken on a combined basis.

The margins remained under pressure in the 2nd half of the year in case of exports in view of price pressure due to competition from certain countries coupled with the decrease in the export incentive effective Sep'2013.

The MEG pipeline and the 10MW Captive Power Plant of the Company at Haldia have also been commissioned in March, 2014 and May, 2014 respectively and is expected to result in cost savings.

Going forward the FY 2014-15 will be a challenging year for the PET business in view of the increase in the market competition and price realisation.

In respect of the Tea Division:

The production of tea decreased from 109.12 lac kgs in the FY 2012-13 to 100.98 lac kgs in the FY 2013-14 mainly due to sale of Bought Leaf Factories.

Overall sale price increased by ₹ 5.35 per kg as compared to previous year due to overall improvement in quality of teas produced.

Barring unforeseen circumstances, the performance of the Tea Division in the coming year is expected to be satisfactory.

Project at Egypt:

The production in Line-1 and Line-2 of Egyptian Indian Polyester Company S.A.E.'s plant in Egypt commenced in January'2014 and May'2014 respectively and quality product had been achieved immediately.

Further in respect of the Scheme of Arrangement for the demerger of the Tea Division and re-organisation of IT SEZ Division the Observation letter from the Stock exchanges (both NSE & BSE) has been received giving their approval to the Scheme.

The Company's shareholders meeting (to be convened by Court appointed Chairman) has been directed to be held on 16th June, 2014.

For Dhunseri Petrochem & Tea Ltd.

Sd/-
C.K.Dhanuka
Executive Chairman

May 22, 2014