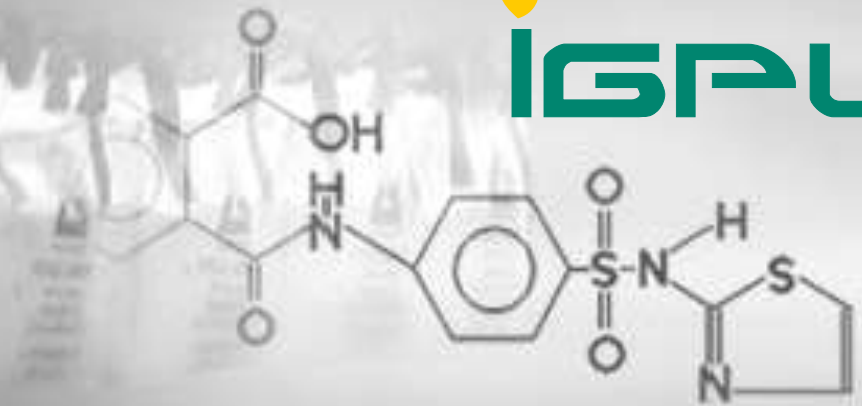


**IG Petrochemicals Ltd**  
**Investor Presentation - Q3FY16**



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# Company Overview



Flagship company of **Dhanuka Group**



**Numero Uno** Indian manufacturer of  
**Phthalic Anhydride (PA)**

**One of the largest**  
PA manufacturer in the world

**Lowest Cost producer** of Phthalic  
Anhydride (PA) globally

**Higher capacity utilization** with  
continued **Consumption Pull** for Phthalic  
Anhydride

**Self sufficiency** achieved in  
**Power/Steam** generated by plant

# Focused Management



## **Mr. M M Dhanuka: Chairman**

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- ✓ Shri M M Dhanuka is B.E.(Chem) and Promoter of the Company
- ✓ Possesses over 35 years of varied experience and expertise in Technical, Production and Marketing

## **Mr. J K Saboo: Executive Director**

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- ✓ A Commerce and Law Graduate and is associated with the Company since 1991
- ✓ Has more than 35 years of experience in the Petrochemical industry and is in charge of the operations of the Company's Plant situated at Taloja

## **Mr. S N Maheshwari: President (Fin. & A/c)**

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- ✓ C.A with over 30 years of experience
- ✓ Currently is responsible for financial, accounts and taxation matters

## **Mr. Nikunj Dhanuka: Managing Director**

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- ✓ A Commerce and a Management Graduate and Promoter of the Company
- ✓ Possesses diverse experience in handling Overseas Business and an extensive knowledge on the functioning of Chemical Industries and in charge of the overall affairs of the Company

## **Mr. R Chandrasekaran: CFO**

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- ✓ C.A. and CS with over 27 years of experience
- ✓ Responsible for all the financial related activities and is associated with the company since 1999

## **Mr. G V R Reddy: President (Technical)**

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- ✓ M.Sc. Engg (Electrical & Instrumentation) and has around 30 years experience
- ✓ Currently he is in-charge of the Plant at Taloja

# Phthalic Anhydride

## Phthalic Anhydride (PA)

A central box labeled 'Phthalic Anhydride (PA)' has five large, colorful arrows pointing downwards to five separate text boxes. The arrows are blue, orange, green, brown, and pink, each corresponding to one of the text boxes below.

PA is a downstream product of Orthoxylene (OX) a basic Petrochemical

PA is a versatile intermediate in organic chemistry

PA is used as an intermediate for the production of Plasticizers, Unsaturated Polyester Resins, Alkyd Resins & Polyols

PA is used in a variety of application in both consumer durables to non consumer durables

Applications for PA are increasing rapidly, driven by new Research & Innovation

# End User Industries



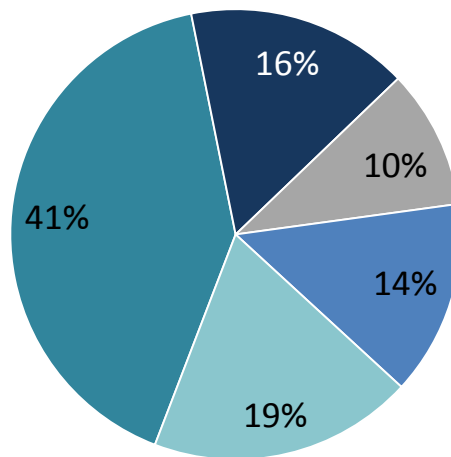
## Plasticizers



## Paints



## CPC (Color Pigments)



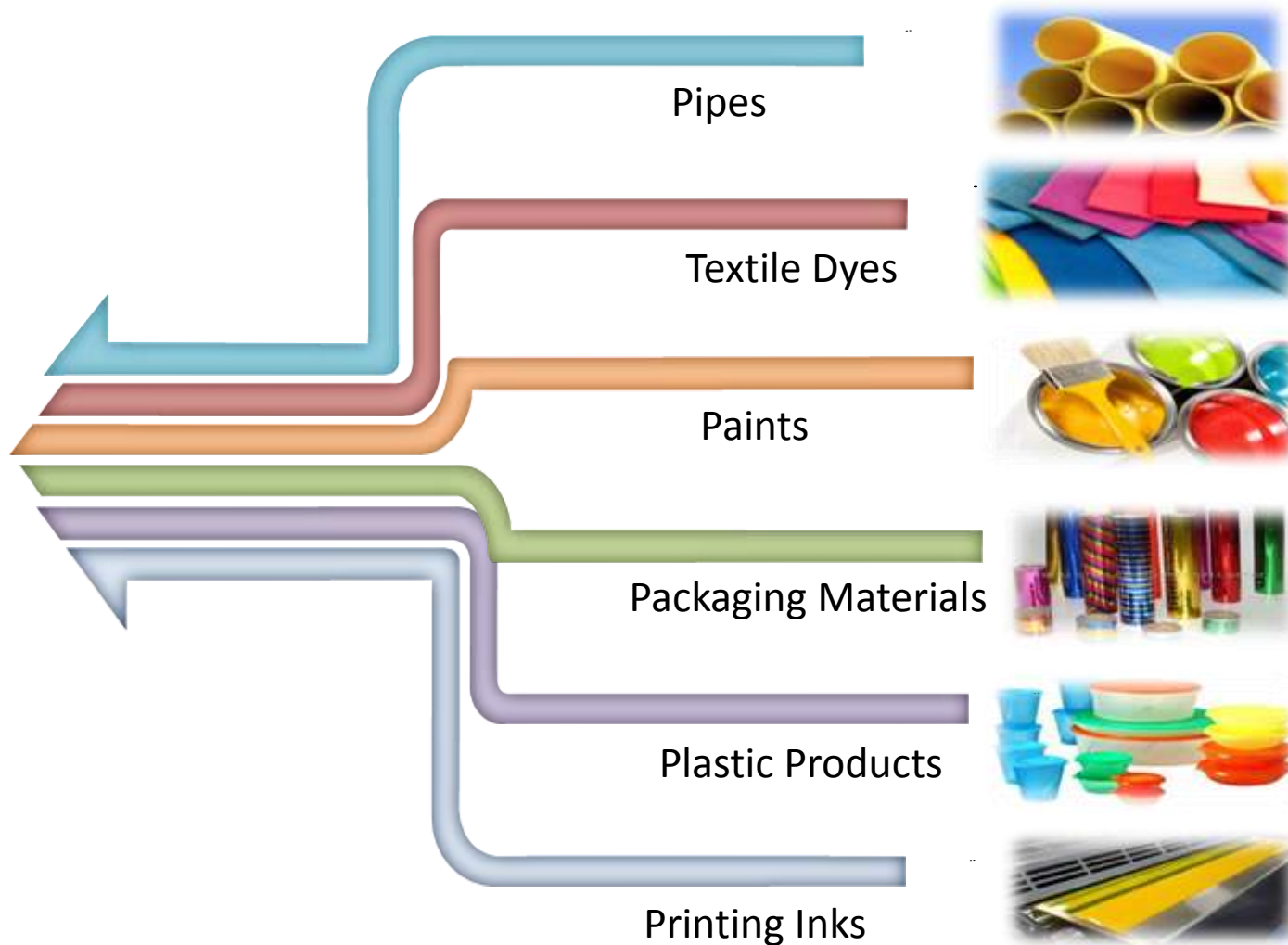
## Others



## Unsaturated Polyester Resin (UPR)



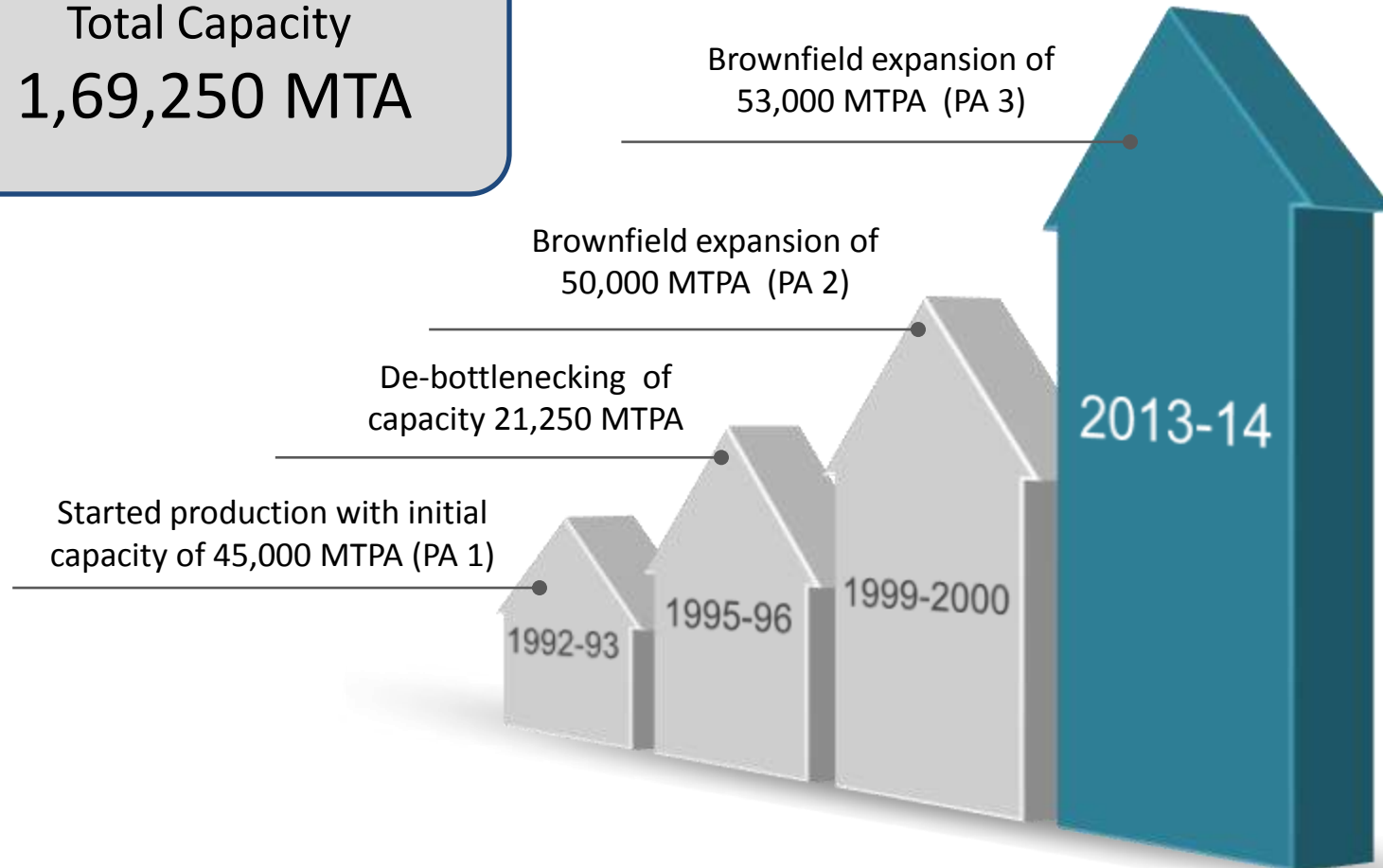
# Phthalic Anhydride (PA) : Varied Applications



# Manufacturing Capacity



Total Capacity  
**1,69,250 MTA**





# Manufacturing Facilities



- Located at MIDC, Taloja in Raigad District, Maharashtra
- 3 units at Single Location
- 50 Km away from Jawaharlal Nehru Port Trust (JNPT), Nhavasheva, Mumbai, Maharashtra
- Proximity to India's Chemical Hub



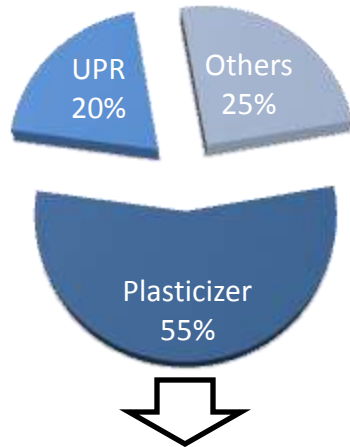
# Key Customers



# Domestic Demand Outlook



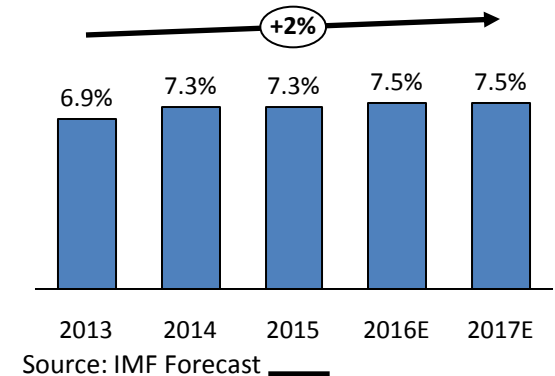
## Global PA Consumption - ~5.5mn tones



- Asia-Pacific consumption is ~ + 50%
- Demand in this region is expected to grow at 6.41% CAGR till 2019
- India is 3<sup>rd</sup> Largest consumer of Plasticizer expected to be fastest growing market

**Indian PA industry is expected to grow at ~7% - ~8% annually**

## India's GDP Growth Rate (%)



- Resurging of Indian economy – Pick up of demand across sectors & industries
- PA has wide application from paints to pipes - Higher demand from the entire spectrum of end users of PA

# Key Competitive Advantages

**01**

## **Lowest Cost Producer**

- In-house generation of power
- Higher efficiency and reengineering process reduces cost per unit

**02**

## **Strategic Plant Location**

- Near to Port – Huge Saving in Freight Cost
- Proximity to the Chemical Belt of India

**03**

## **Better Recovery Process**

- Steam generated from Process utilised efficiently and reduces energy cost significantly
- Developing value added products through waste stream

**04**

## **Consistent high capacity utilization**

- Average capacity utilization of over 90% during the last 5 years
- Set-up of PA-3 with an annual capacity 53,000 MTPA in 2013 with full utilization

**05**

## **Strong Clientele across industries**

- Diversified Product Use in Multiple Industries
- Low Customer Concentration

**Enhancing Sales & Leading to a Better Margin Profile**

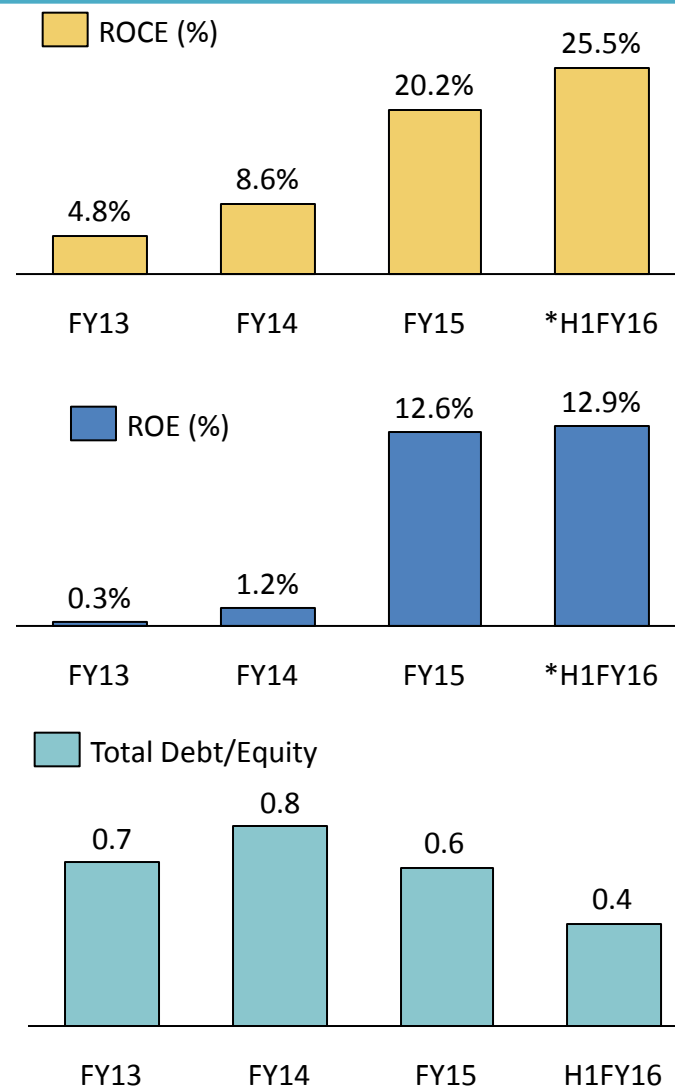
# Positive



- Company has entered into JV with M/s. Dubai Natural Gas Co. Ltd UAE for the **manufacturing of Maleic Anhydride with a capacity of 45,000 MTPA**
- DTA Sales and Catalyst cases decided in Company's favour – **"Absolving the contingent liabilities related to Excise and Customs duties to the extent of Rs. 204.05 crs."**
- Upgrade in the Credit Rating** for Long Term & Short Term Borrowings by India Ratings & Research

Particulars	Old Ratings	New Ratings
Long Term Borrowings	"IND BBB+"	"IND A-"
Short Term Borrowings	"IND A2+"	"IND A1"

- Declared Dividend of **Re. 1 (10% of Face Value)** in FY15

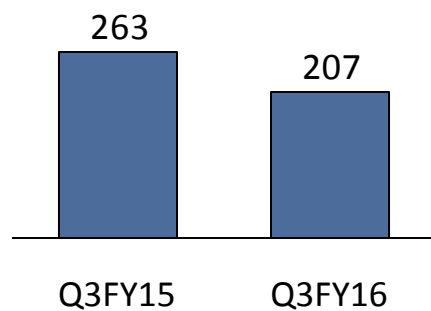


\* Based on TTM basis

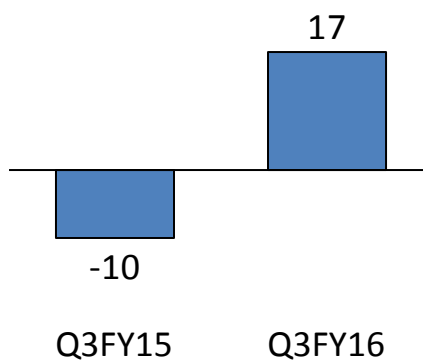
# Result Highlights



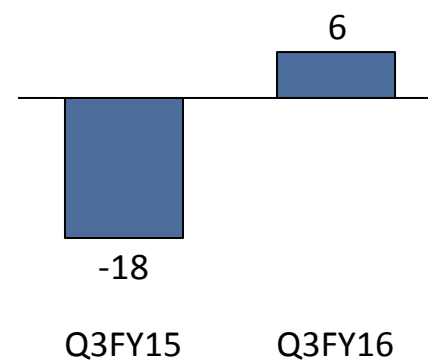
## Sales



## EBITDA

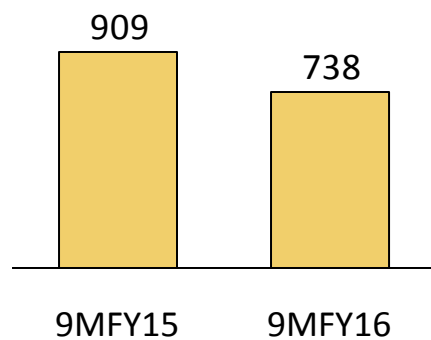


## PAT

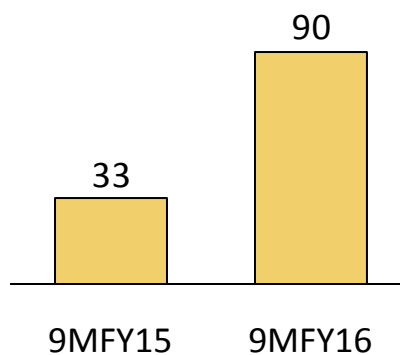


Rs. In Crs

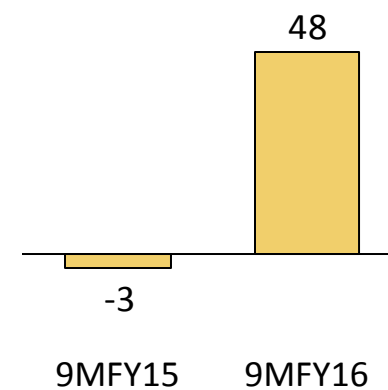
## Sales



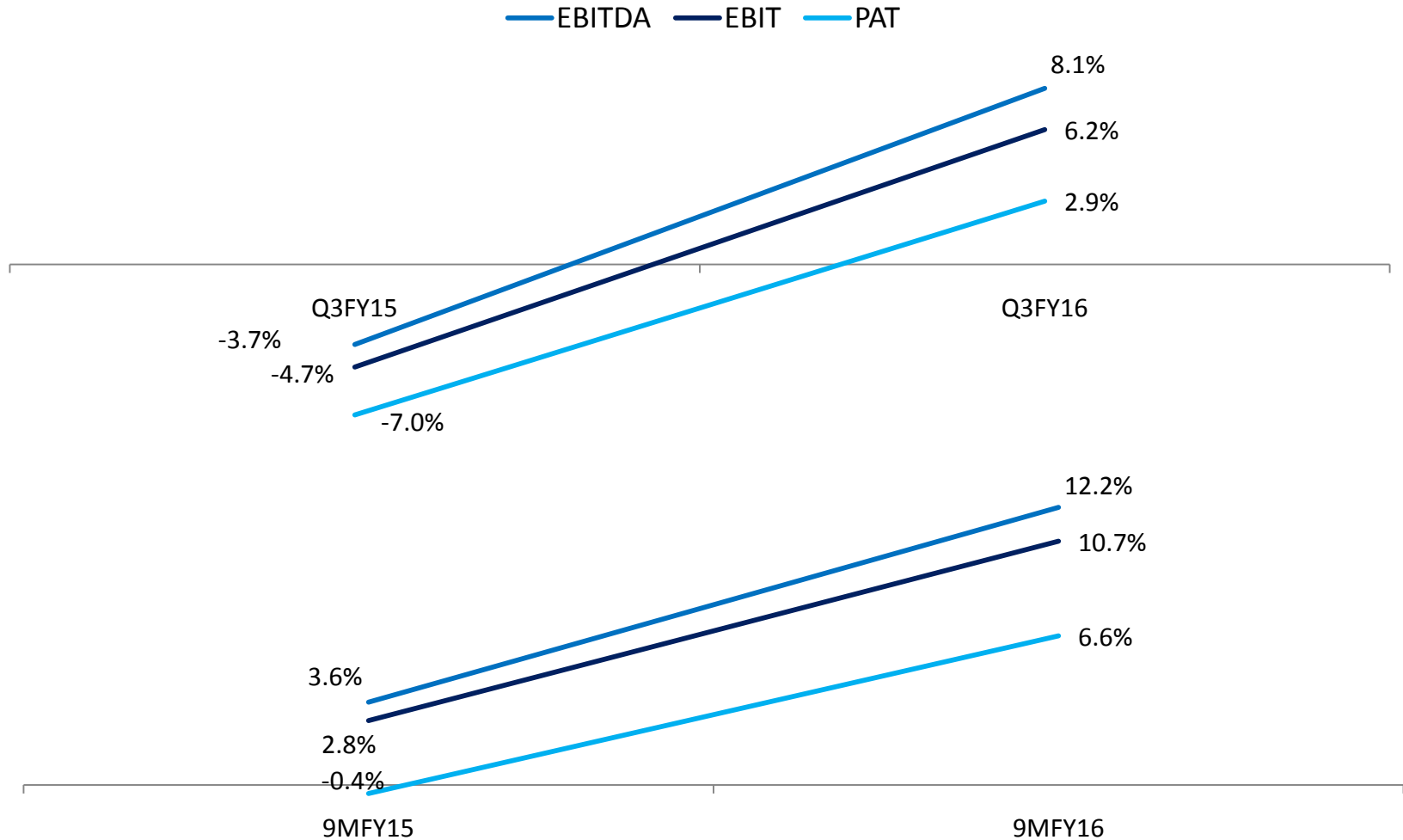
## EBITDA



## PAT



# Margin Expansion



# Profit & Loss Statement – Q3 FY16



Particulars (Rs. In Crs)	Q3FY16	Q3FY15	Y-o-Y
Revenue from Operations	205.4	262.7	
Other operating Income	1.1	0.4	
<b>Total Revenue</b>	<b>206.6</b>	<b>263.2</b>	<b>-22%</b>
Cost of Material Consumed	169.2	216.1	
Changes in Inventories	-4.3	30.5	
Employee Expenses	7.6	6.8	
Other Expenses	17.3	19.4	
<b>EBITDA</b>	<b>16.8</b>	<b>-9.7</b>	
<b>EBITDA %</b>	<b>8.1%</b>	<b>-3.7%</b>	
Other Income	0.4	1.5	
Depreciation	4.3	4.3	
<b>EBIT</b>	<b>12.8</b>	<b>-12.5</b>	
<b>EBIT (%)</b>	<b>6.2%</b>	<b>-4.7%</b>	
Finance Cost	5.2	9.7	
<b>Profit before Tax</b>	<b>7.7</b>	<b>-22.2</b>	
Tax	1.6	-3.9	
<b>Profit after Tax</b>	<b>6.0</b>	<b>-18.3</b>	
<b>PAT %</b>	<b>2.9%</b>	<b>-7.0%</b>	



# Profit & Loss Statement – 9Months FY16



Particulars (Rs. In Crs)	9MFY16	9MFY15	Y-o-Y
Revenue from Operations	734.2	908.1	
Other operating Income	4.2	1.0	
<b>Total Revenue</b>	<b>738.5</b>	<b>909.1</b>	<b>-19%</b>
Cost of Material Consumed	586.5	781.1	
Changes in Inventories	-18.7	15.4	
Employee Expenses	22.1	20.9	
Other Expenses	58.6	58.6	
<b>EBITDA</b>	<b>90.1</b>	<b>33.1</b>	<b>172%</b>
<b>EBITDA %</b>	<b>12.2%</b>	<b>3.6%</b>	
Other Income	1.9	5.3	
Depreciation	12.9	12.7	
<b>EBIT</b>	<b>79.1</b>	<b>25.7</b>	<b>207%</b>
<b>EBIT (%)</b>	<b>10.7%</b>	<b>2.8%</b>	
Finance Cost	17.6	29.2	
<b>Profit before Tax</b>	<b>61.5</b>	<b>-3.4</b>	
Tax	13.1	0.0	
<b>Profit after Tax</b>	<b>48.4</b>	<b>-3.4</b>	
<b>PAT %</b>	<b>6.6%</b>	<b>-0.4%</b>	

# Balance Sheet



Particulars (Rs.crs)	Sep-15	Mar-15
Share Capital	30.80	30.80
Total Reserves	250.37	208.01
<b>Shareholder's Funds</b>	<b>281.16</b>	<b>238.81</b>
Long-Term Borrowings	104.08	107.83
Long Term Provisions	1.70	1.73
<b>Total Non-Current Liabilities</b>	<b>105.79</b>	<b>109.56</b>
Short Term Borrowings	11.88	23.01
Trade Payables	160.48	196.33
Other Current Liabilities	30.61	31.48
Short Term Provisions	6.17	4.46
<b>Total Current Liabilities</b>	<b>209.13</b>	<b>255.28</b>
<b>Total Liabilities</b>	<b>596.08</b>	<b>603.65</b>

Particulars (Rs.crs)	Sep-15	Mar-15
<b>Fixed Assets</b>	<b>324.89</b>	<b>326.78</b>
Tangible Assets	324.84	326.73
Intangible	0.05	0.04
Capital Work in Progress	1.83	0.77
Non Current Investments	0.33	0.07
Long Term Loans & Advances	7.01	6.94
<b>Total Non-Current Assets</b>	<b>334.06</b>	<b>334.56</b>
Inventories	72.86	86.56
Sundry Debtors	141.55	145.18
Cash and Bank	25.18	18.22
Short Term Loans and Advances	22.42	19.13
<b>Total Current Assets</b>	<b>262.02</b>	<b>269.09</b>
<b>Total Assets</b>	<b>596.08</b>	<b>603.65</b>

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