



# IG Petrochemicals Ltd

Investor Presentation – Q1FY17



# Safe Harbor

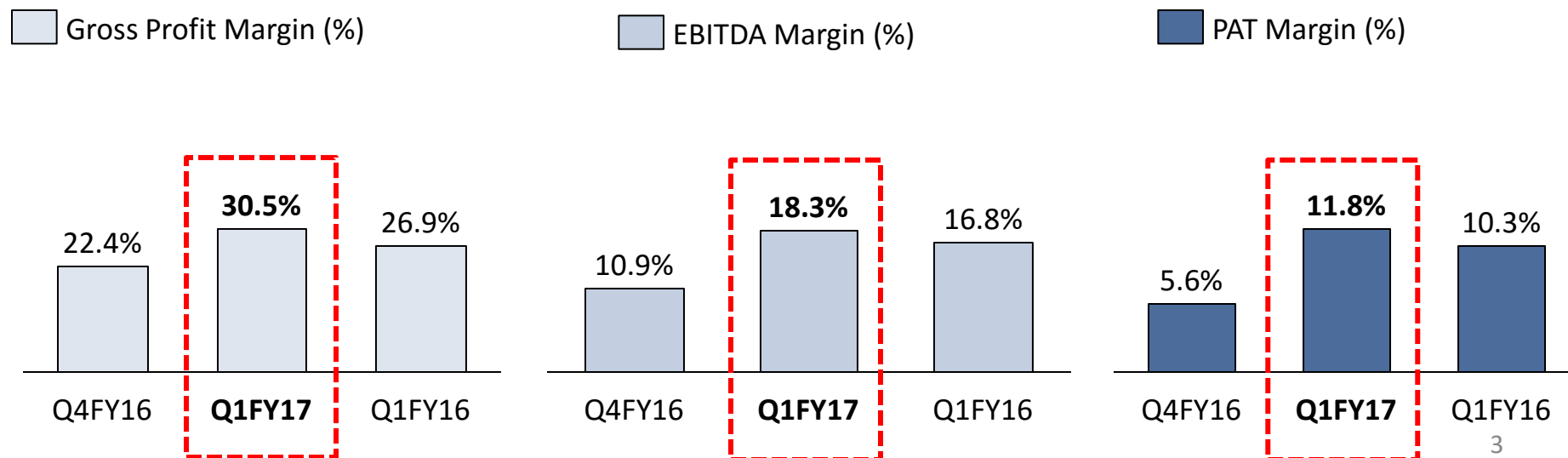
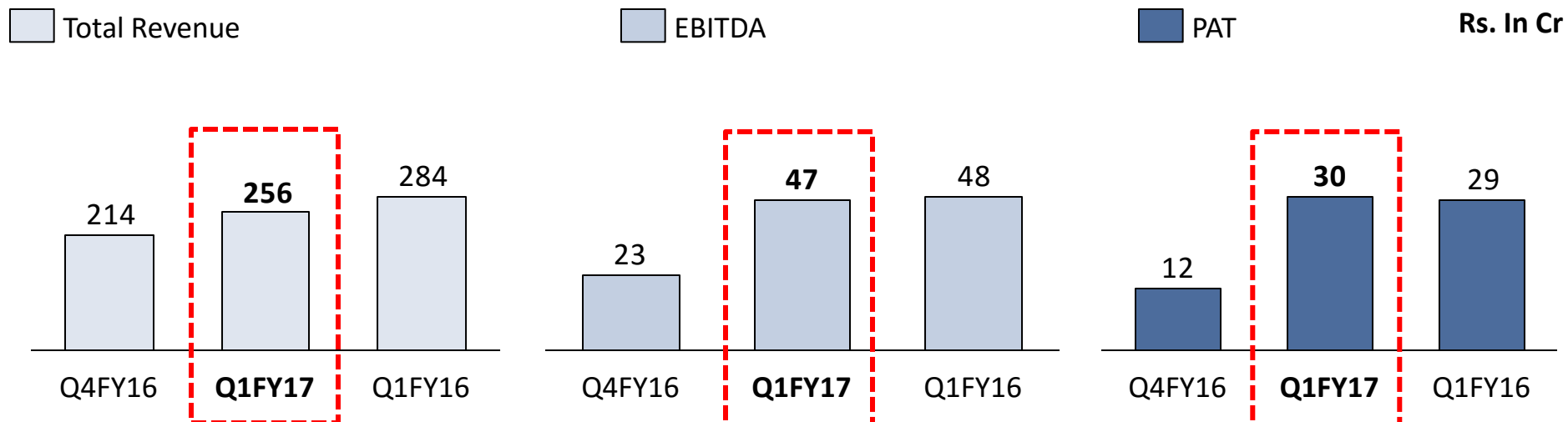


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# Performance Highlights



# 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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- ✓ Chemical Engineer from BITS, Pilani with 35 years of experience in the industry
- ✓ True Entrepreneur with responsibility for day to day affairs and made a turnaround in business through his far sightedness and effective decision making

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

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- ✓ B.Com., LL.B with over 30 years of experience
- ✓ Currently in charge of the all activities at Taloja and is associated with the Company since 1992

## **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 & CEO**

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- ✓ Commerce Graduate with Management course from UK
- ✓ Two decades of experience in the industry, instrumental in restructuring the business activities and in charge of the overall affairs of the company

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

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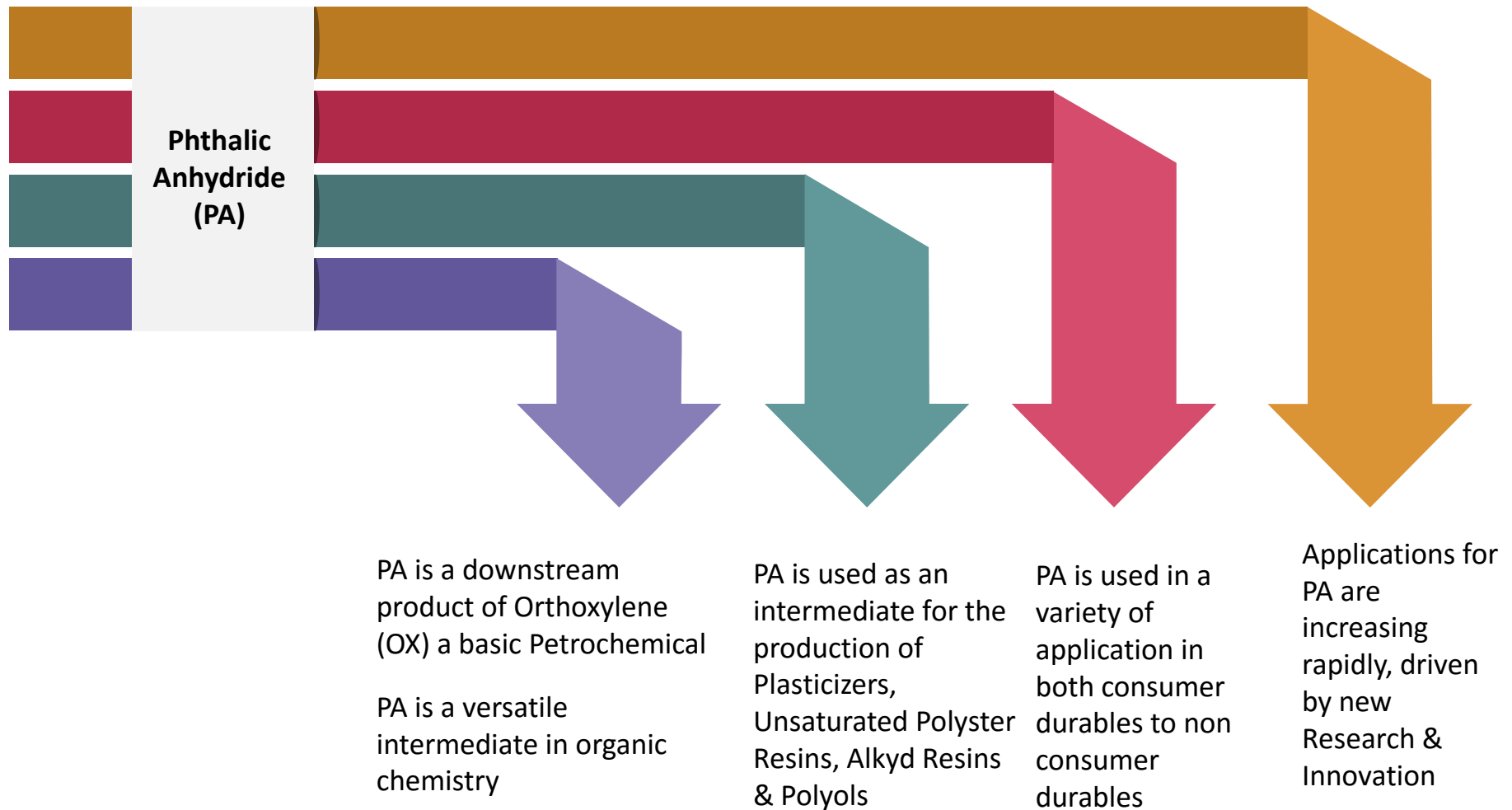
- ✓ C.A. and CS with over 27 years of experience
- ✓ Responsible for all the financial related activities and is associated with the company since 1999

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

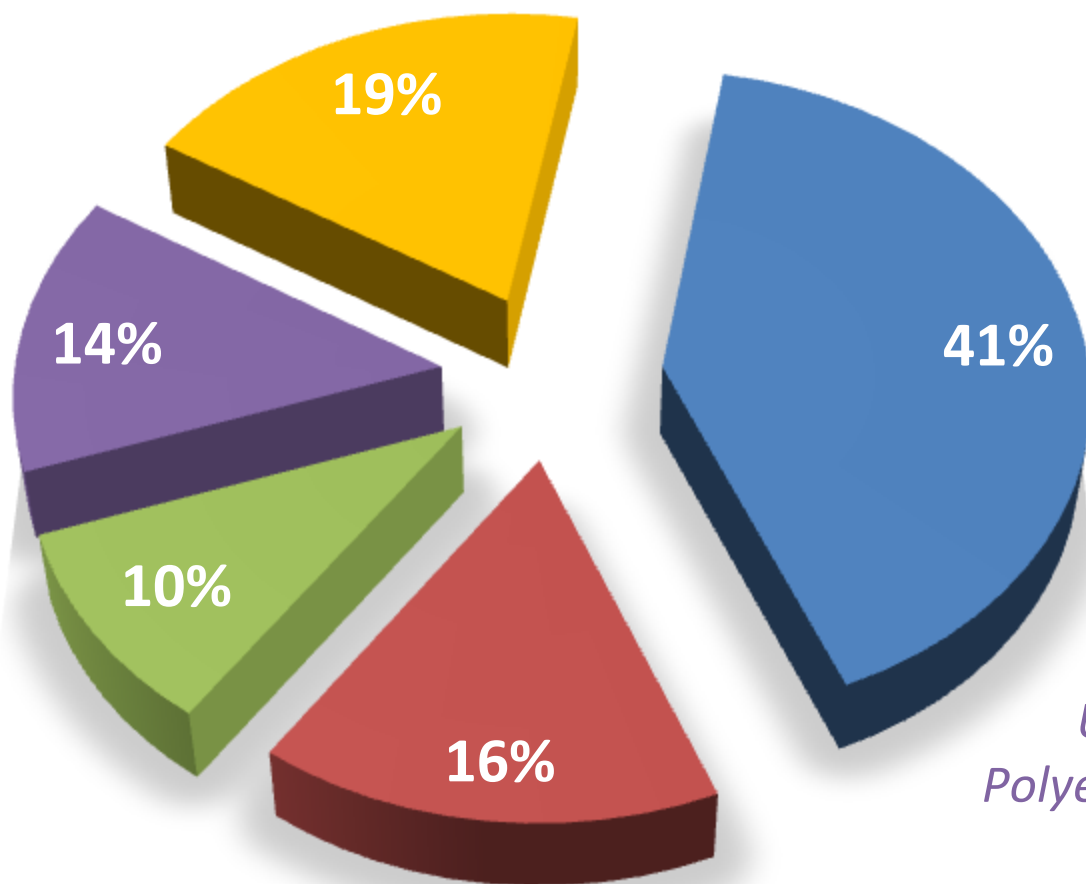
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- ✓ M.Sc. Engg (Electrical & Instrumentation) and has around 30 years experience
- ✓ Currently he is in-charge of the Plant at Taloja

# Phthalic Anhydride



# End User Industries



Plasticizers



Paints



CPC (Color Pigments)



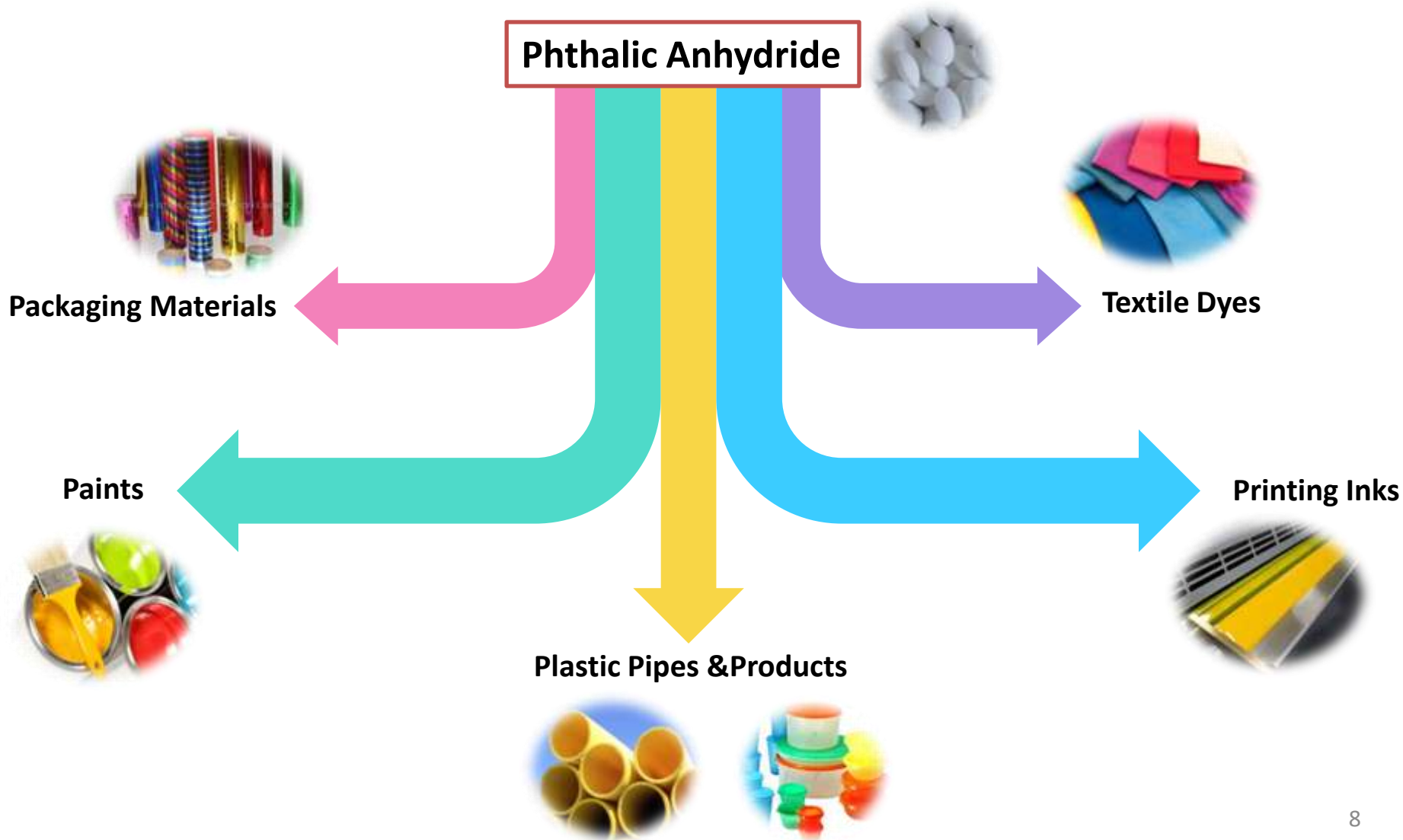
Unsaturated Polyester Resin (UPR)



Others



# Phthalic Anhydride (PA) : Varied Applications





# Manufacturing Capacity



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

**53,000 MTPA (PA 3)**

Brownfield expansion

**50,000 MTPA (PA2)**

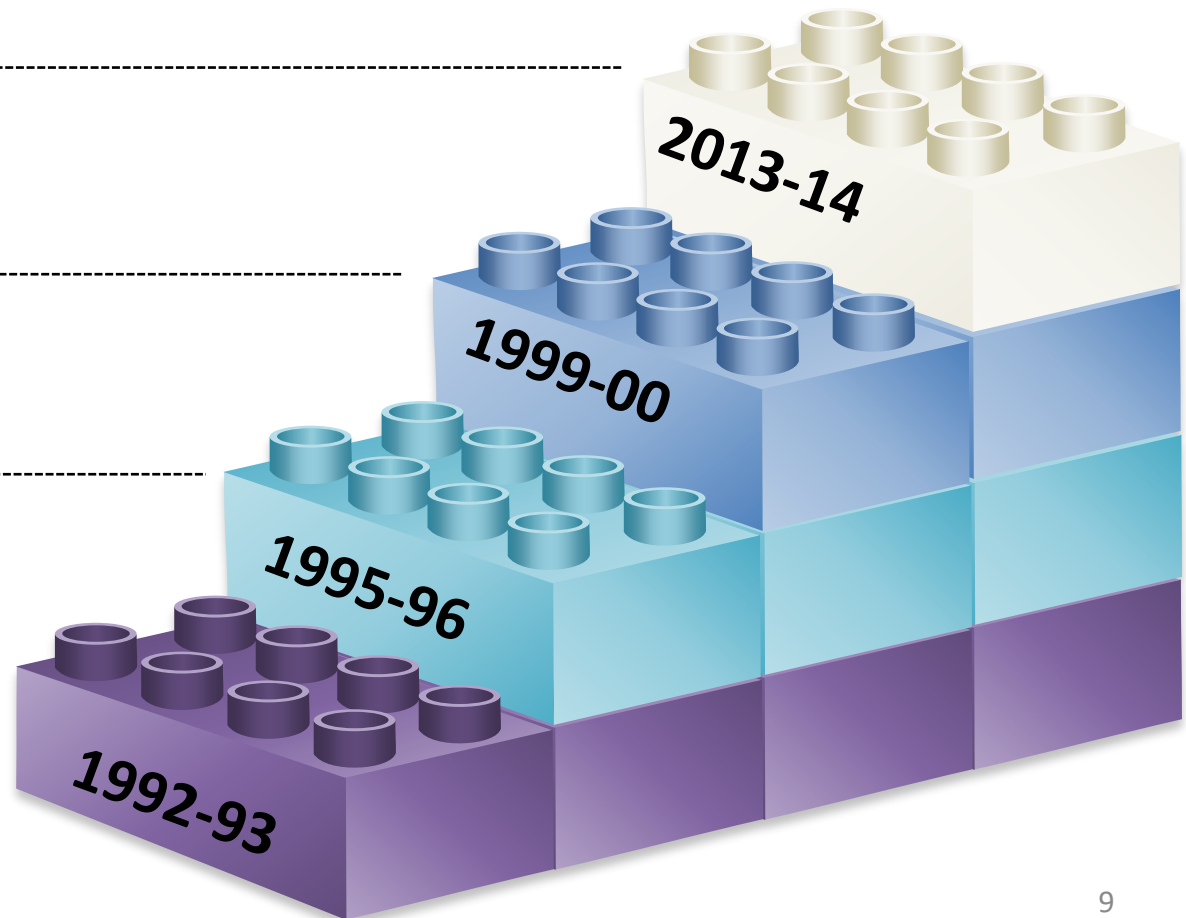
Brownfield expansion

**21,250 MTPA**

De-bottlenecking

**45,000 MTPA (PA1)**

Initial Production Capacity



# Manufacturing Facilities



*3 units at Single Location*  
*Proximity to India's Chemical Hub*



*Located at MIDC, Taloja in Raigad District, Maharashtra*



*50 Km away from Jawaharlal  
Nehru Port Trust (JNPT),  
Nhavasheva, Mumbai,  
Maharashtra*

# Key Customers



AkzoNobel



AARTI INDUSTRIES LIMITED

سابک  
sabic



# Consumption Pull for Phthalic Anhydride

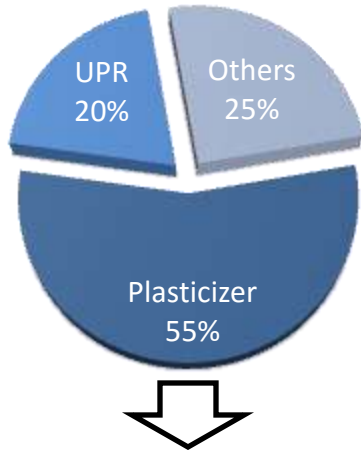


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- A diagram illustrating the factors contributing to the consumption pull for Phthalic Anhydride. It consists of six horizontal bars of different colors, each containing a number and a description. The bars are stacked vertically and point towards a large, dark grey arrow on the right side of the slide, which represents the overall consumption pull.
- 01 Stabilize Crude Prices -**  
Better Realizations
  - 02 Global Market Improvements -**  
Well positioned to grab the opportunities
  - 03 Better Economic Scenario -**  
Influence demand for the product in downstream markets
  - 04 Infrastructure Thrust -**  
Strong & Constant domestic demand for the Product
  - 05 Increase in Consumption -**  
Increase fuelled by rising demand for plasticizers, paints etc
  - 06 Indian Government Initiatives -**  
Focus on Rural Water Management – Demand for PVC Pipes

# Consumption Pull for Phthalic Anhydride



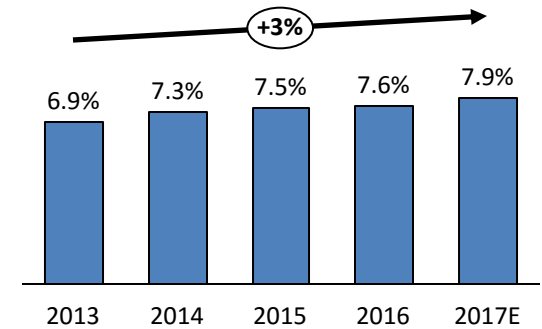
## Global PA Consumption - ~5.5mn tones



- 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**

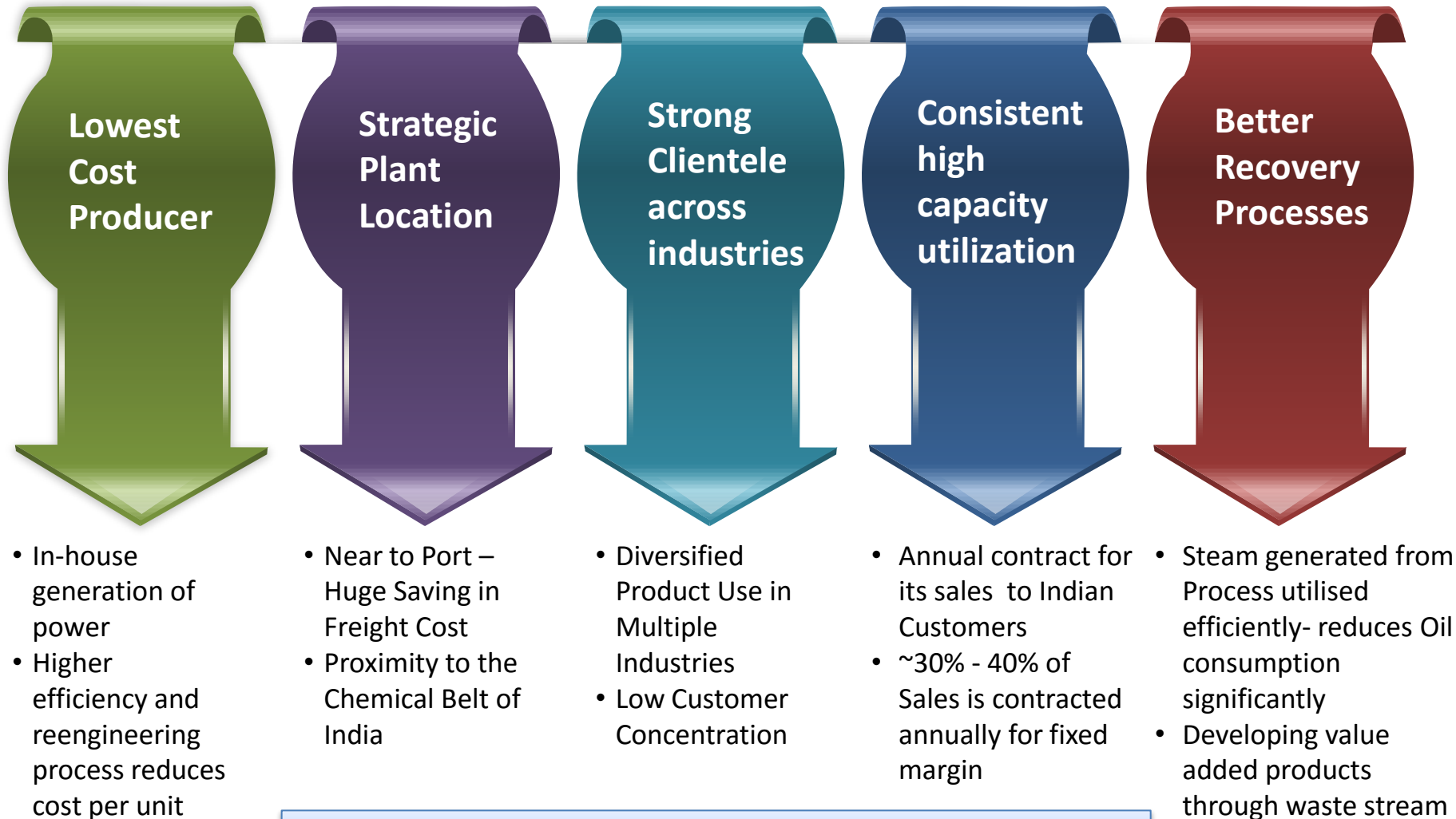
## India's GDP Growth Rate (%)



Source: World Bank

- 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



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

# Profit & Loss Statement



Particulars (Rs. In Crs)	Q1FY17	Q1FY16	Y-o-Y	Q4FY16	Q-o-Q
Revenue from Operations	253.88	282.35		213.37	
Other operating Income	1.65	1.58		1.00	
<b>Total Revenue</b>	<b>255.53</b>	<b>283.93</b>	<b>-10%</b>	<b>214.37</b>	<b>19%</b>
Cost of Material Consumed	183.31	219.36		164.10	
Changes in Inventories	-5.77	-11.70		2.28	
Employee Expenses	9.60	7.28		7.65	
Other Expenses	21.68	21.31		17.08	
<b>EBITDA</b>	<b>46.71</b>	<b>47.69</b>	<b>-2%</b>	<b>23.27</b>	<b>101%</b>
<b>EBITDA %</b>	<b>18.3%</b>	<b>16.8%</b>		<b>10.9%</b>	
Other Income	0.85	0.78		1.67	
Depreciation	4.25	4.24		4.63	
<b>EBIT</b>	<b>43.31</b>	<b>44.23</b>	<b>-2%</b>	<b>20.31</b>	<b>113%</b>
<b>EBIT (%)</b>	<b>16.9%</b>	<b>15.6%</b>		<b>9.5%</b>	
Finance Cost	5.06	6.99		5.10	
Extra ordinary Items	0.00	0.00		0.00	
<b>Profit before Tax</b>	<b>38.24</b>	<b>37.23</b>	<b>3%</b>	<b>15.21</b>	<b>151%</b>
Tax	8.16	7.95		3.22	
<b>Profit after Tax</b>	<b>30.08</b>	<b>29.29</b>	<b>3%</b>	<b>11.98</b>	<b>151%</b>
<b>PAT %</b>	<b>11.8%</b>	<b>10.3%</b>		<b>5.6%</b>	

# Balance Sheet

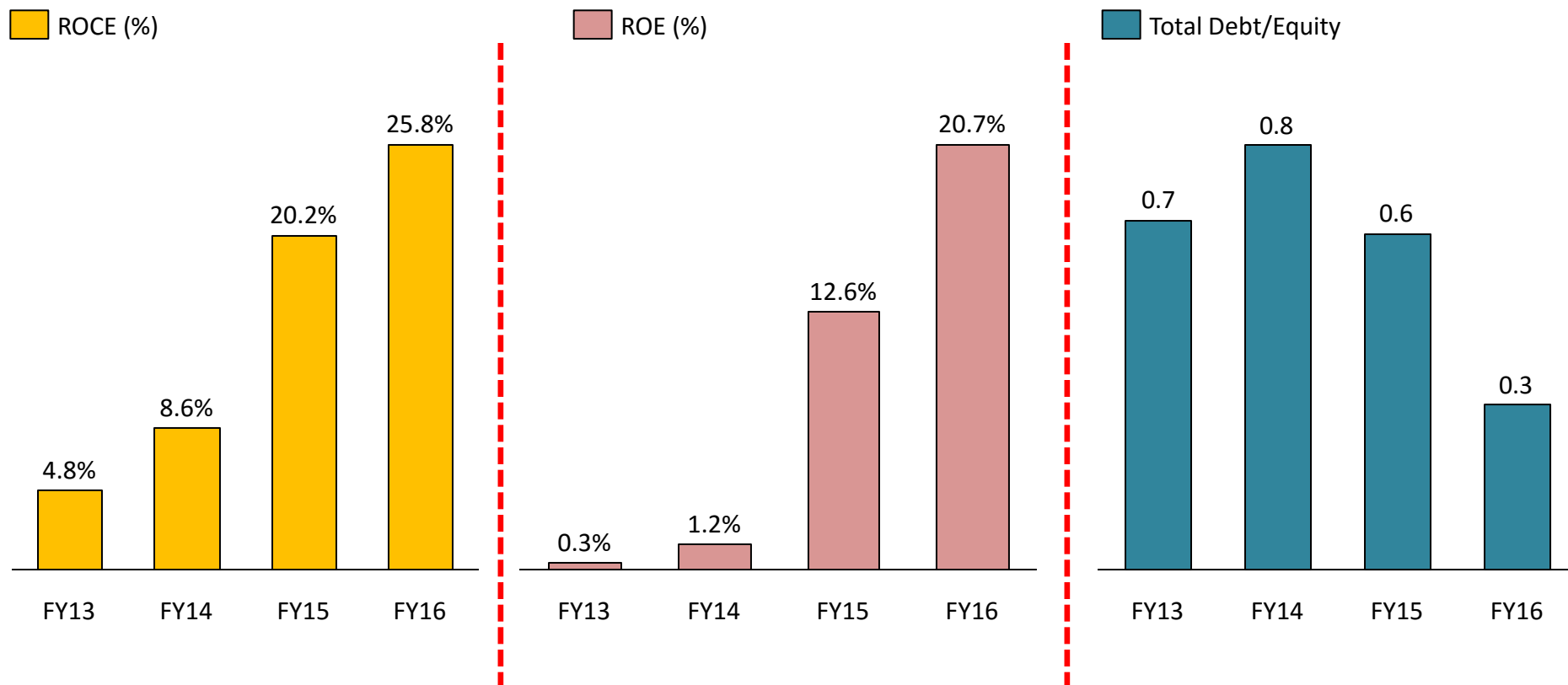


Particulars (Rs. In Crs)	Mar-16	Mar-15
Share Capital	30.8	30.8
Total Reserves	261.0	208.0
<b>Shareholder's Funds</b>	<b>291.8</b>	<b>238.8</b>
Long-Term Borrowings	92.2	107.8
Long Term Provisions	1.8	1.5
<b>Total Non-Current Liabilities</b>	<b>94.0</b>	<b>109.4</b>
Short Term Borrowings	0.3	22.6
Trade Payables	154.2	196.3
Other Current Liabilities	29.8	31.9
Short Term Provisions	8.6	5.1
<b>Total Current Liabilities</b>	<b>192.9</b>	<b>255.9</b>
<b>Total Liabilities</b>	<b>578.7</b>	<b>604.1</b>

Particulars (Rs. In Crs)	Mar-16	Mar-15
<b>Fixed Assets</b>	<b>322.2</b>	<b>326.8</b>
Tangible Assets	322.2	326.7
Intangible	0.0	0.0
Capital Work in Progress	4.4	0.8
Non Current Investments	0.3	0.1
Long Term Loans & Advances	21.4	20.4
<b>Total Non-Current Assets</b>	<b>348.4</b>	<b>348.0</b>
Inventories	89.6	86.6
Sundry Debtors	108.8	145.2
Cash and Bank	16.9	18.2
Short Term Loans and Advances	15.0	6.1
<b>Total Current Assets</b>	<b>230.3</b>	<b>256.0</b>
<b>Total Assets</b>	<b>578.7</b>	<b>604.1</b>



# Improved Performance – Ratios



Recommended Dividend of **Rs. 2 per Equity share (i.e. 20% of Face Value)** during FY15 - 16

**For further information, please contact**

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