



IG Petrochemicals Limited

Investor Presentation - May 2019



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Company Overview



India's Largest Phthalic Anhydride (PAN) manufacturer and among the top five in the world

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

PAN is a versatile intermediate in organic chemistry for production of Plasticizers, Unsaturated Polyester Resins, Alkyd Resins, Paints & CPC Pigments

Plants are engineered with modern technologies and are designed on the low energy based processes. Steam generated from the production process used for Company's captive power requirements

Usage of PAN is increasing in new generation products where R & D is ongoing

ISO 9001:2008 for quality management system
ISO 14001:2004 for environment certification from Bureau Veritas

IGPL produces Maleic Anhydride through wash water generated out of the production process of PAN. Maleic Anhydride is used in agro and food businesses

IGPL also manufactures Benzoic Acid (BA) as a by product



VISION

“To be well diversified chemicals company with leadership position in Phthalic Anhydride Industry”





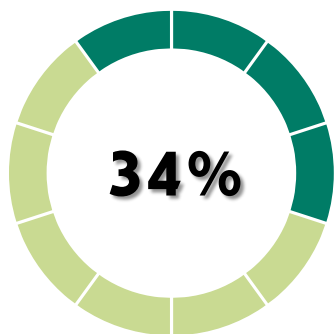
Business Overview

End User Industry & Application of PAN



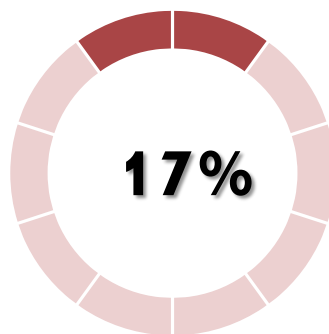
PLASTICIZERS

Used in manufacturing of poly vinyl chloride (PVC) products which is used for manufacturing a range of consumer care, personal care and home care products like shoes, wires & cables, pipes & hoses, boxes, containers, packaging films, medical and surgical equipment's

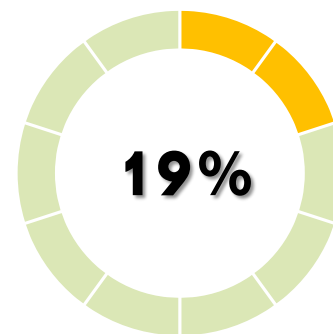


ALKYD RESINS

Used in manufacturing of paints and coatings

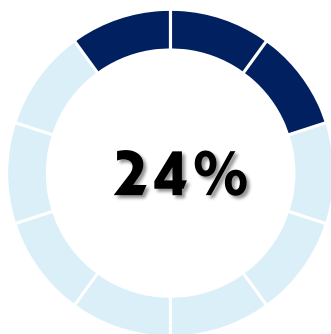


OTHERS



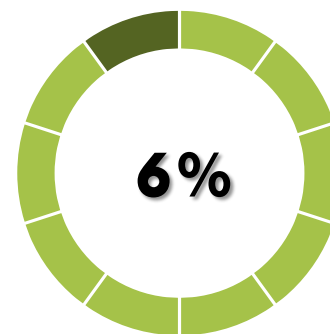
CPC PIGMENTS

Used for making inks & photovoltaic cells



UNSATURATED POLYESTER RESIN

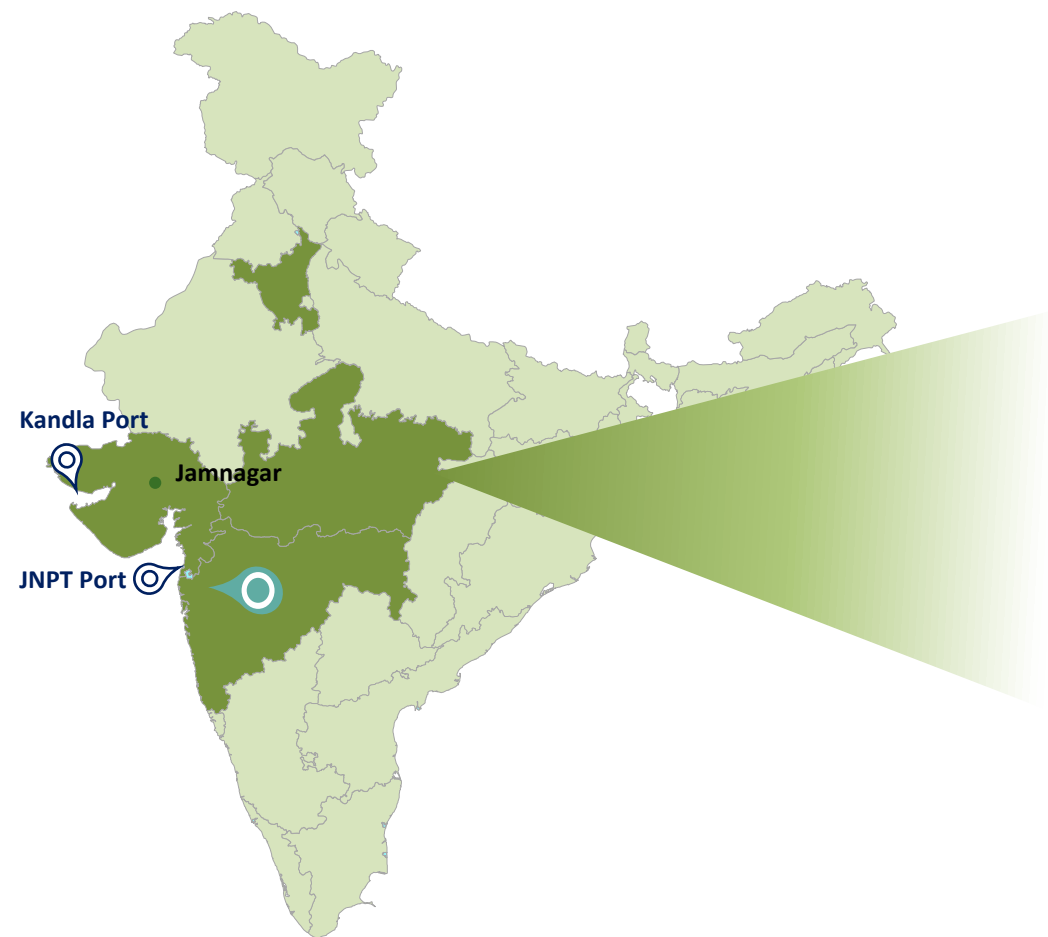
Used as thermostat for manufacturing of fiberglass reinforced plastics for automobile, construction, marine and transportation industries



PAN is a downstream product of Orthoxylene (OX) a basic Petrochemical. It is a versatile intermediate in organic chemistry

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

Strategically Located Plant...



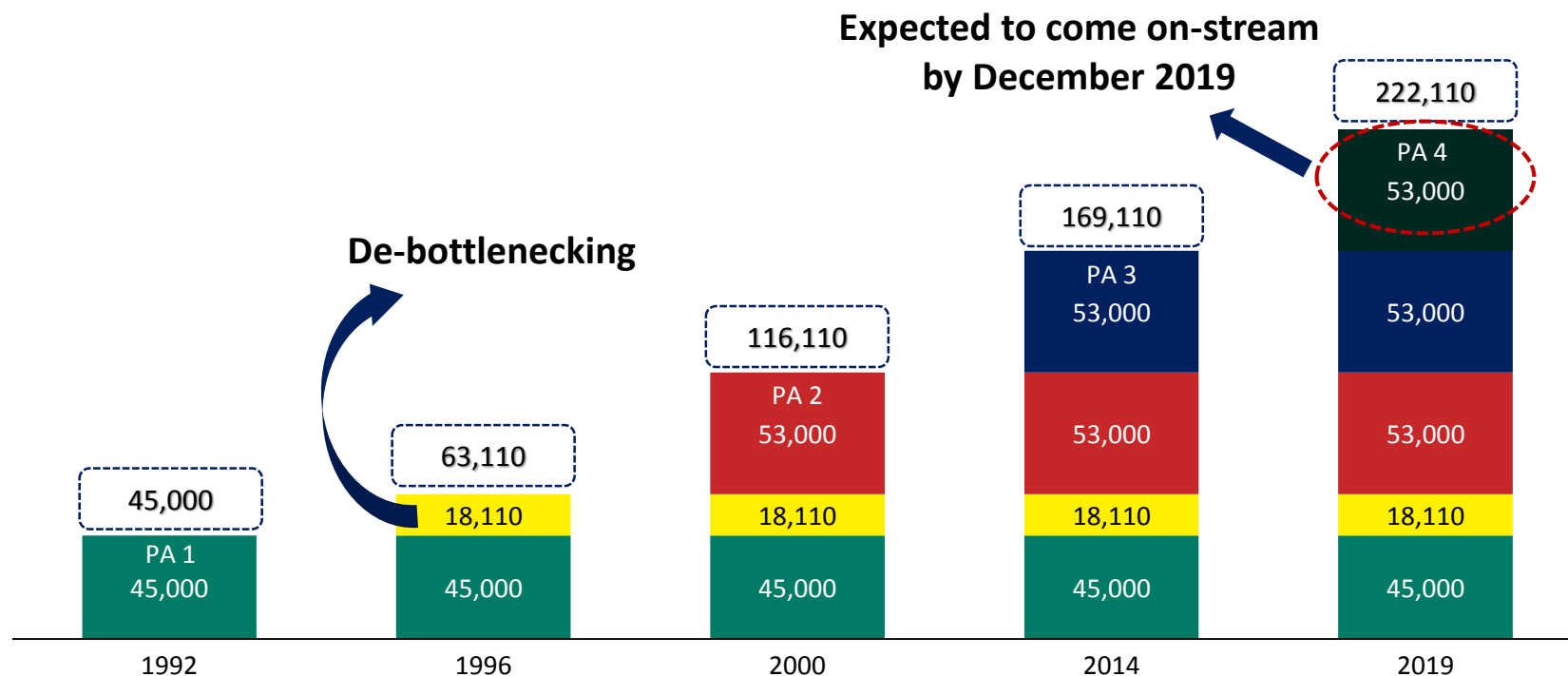
- ❖ Located at MIDC, **Taloja in Raigad District, Maharashtra**
- ❖ Proximity to Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva, Mumbai, Maharashtra - Enjoys the **advantage of being near ports for exports**
- ❖ Proximity to **India's Chemical Hub** where majority of downstream industries are located including procurement of Raw Material
- ❖ Completely **Integrated Manufacturing Facility** at a Single Location
- ❖ Majority of domestic sales is within **Western India**

 **IGPL Plant at MIDC - Taloja, Maharashtra**

 **Chemical Belt in Western India**

...with State-of-the-Art Technology

Manufacturing Capacity



Plants are engineered with **German Technologies** and are designed on the low energy-based processes

Company also undertook **significant process enhancement initiatives** through capacity expansion

Steam generated from the production process used for Company's captive power requirements



Maleic Anhydride



India's only manufacturer of Maleic Anhydride; made through wash water which gets derived through manufacturing of PAN

Indian Market Size for Maleic Anhydride (MA) is ~55,000 MTPA

The raw material used is N-butene (gas derivative) which is not available in India. All MA required in India is completely imported except the one made by IGPL

IGPL's Capacity of MA is 6,500 MTPA
Post expansion, Capacities will increase to 8,000 MTPA

END USER INDUSTRY

- Spandex (Elastics)
- Unsaturated Polyester Resins (UPR)
- Lubricating Oil Additives
- Personal Care Products
- Maleic anhydride is also a precursor to compounds used for water treatment detergents, insecticides and fungicides.



Key Strengths & Strategies

Capacity Expansions & Strategies



PA 4 Plant

Project Cost : Rs 320 Crore

Loan : Rs 125 Crore (ECB)

Capacity to be commissioned by Dec' 2019



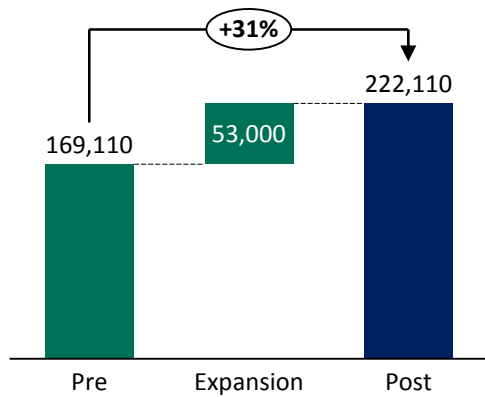
Advance Plasticizers

Project Cost : Rs 20 Crore

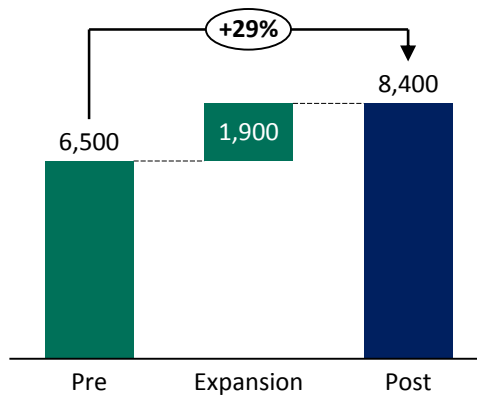
Capacity of 8,000 MTPA

Capacity to be commissioned by Mar' 2020

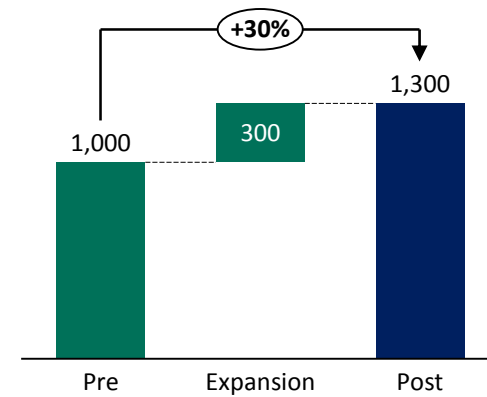
Total Capacities Post Expansion (MTPA)



Phthalic Anhydride



Maleic Anhydride



Benzoic Acid



Key Competitive Strengths



Capacity Utilized

High Capacity Utilization with
Annual contract for its sales to
Indian Customers

Recovery Process

Steam generated from
Processes are utilized
efficiently

Strong Clientele

Diversified Product Use in Multiple
Industries
Low Customer Concentration

Low Cost Producer

One of the Lowest Cost of
production of Phthalic
Anhydride due to
Manufacturing Efficiencies

Strategic Location

Plant being near to Port – Huge
Saving in Freight Cost along
with Proximity to the Chemical
Belt of India

Unique Position

Market Leader having over
~50% of the share in India



Industry Overview

Indian Market Size

Phthalic Anhydride is
~3,75,000 MTPA
Maleic Anhydride (MA) is
~55,000 MTPA

Infrastructure Development

Highest Budget by the
government for
Infrastructure Development
at 3.96 lakh crores

Industry Growth

PA to grow 7% - 8%
annually in future,
backed by the thrust of
Infrastructure and GDP
growth

Imports

Imports have risen
continuously in the last 3
years on back of high
domestic demand

FY17 – 90,000 MT
FY18 – 1,00,000 MT
FY19 – 1,20,000 MT

Housing Development

Propose to facilitate higher
investment in affordable
housing, by giving
infrastructure status

Dominance by Asia Pacific Region

Likely to expand at a
CAGR of 6.10% from
2016-2024

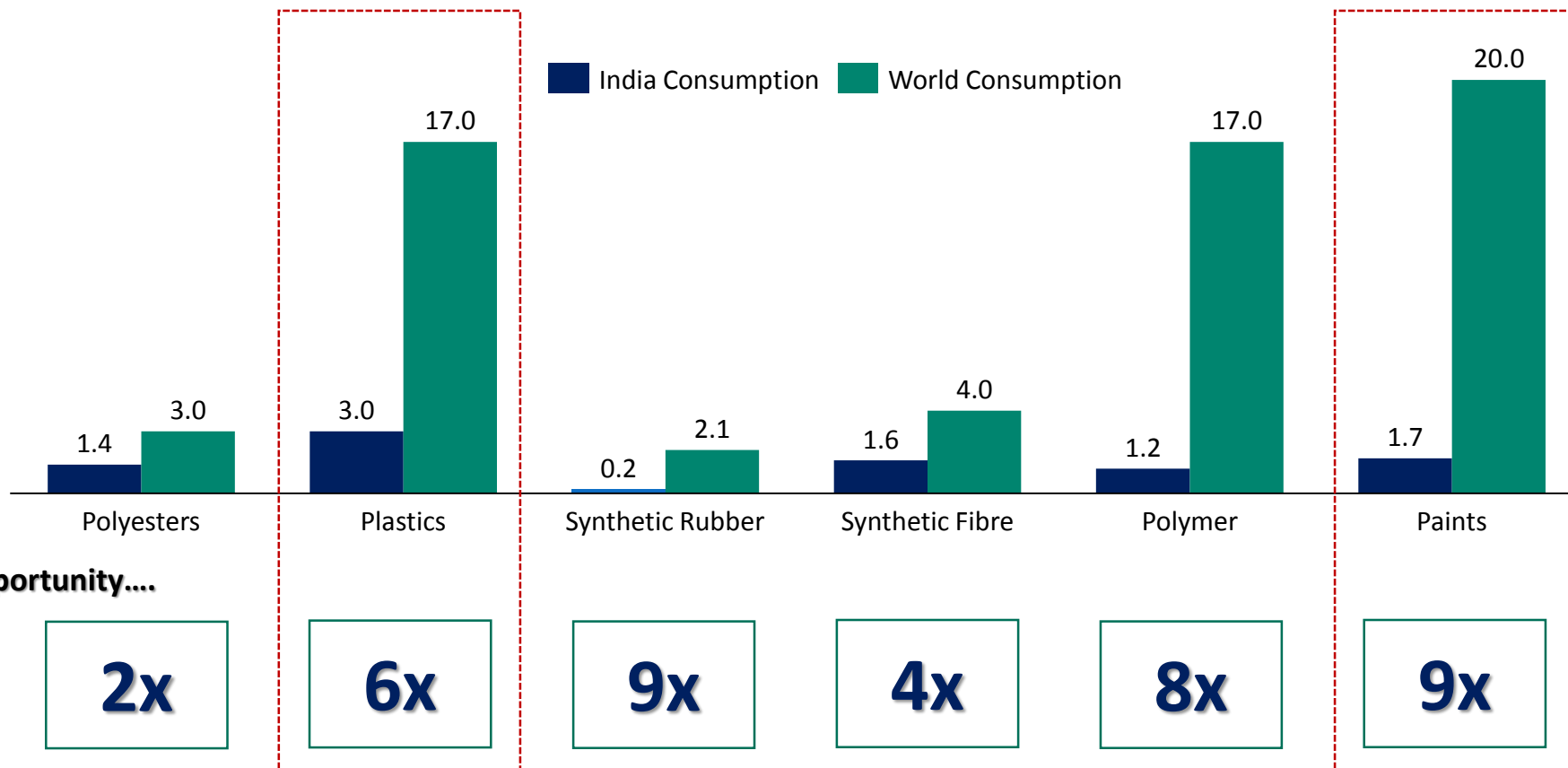
With having a better economic
scenario, improved consumption
and increased infrastructure thrust,
the Company is uniquely positioned
to partake in the industry growth as
well as substitute imports resulting
in higher market share

Huge Domestic Opportunity



Low per capita consumption of End User Industry of PAN in India

India Consumption World Consumption



End User Industry expected to grow by 12% - 13% CAGR for next 3-5 years

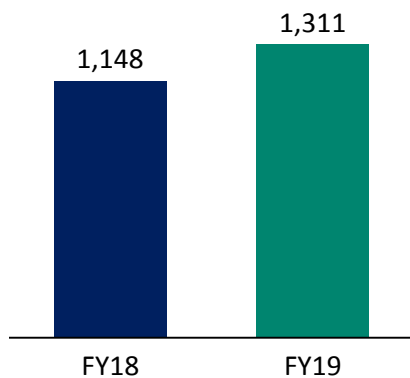


Financial Highlights – Q4 & FY19

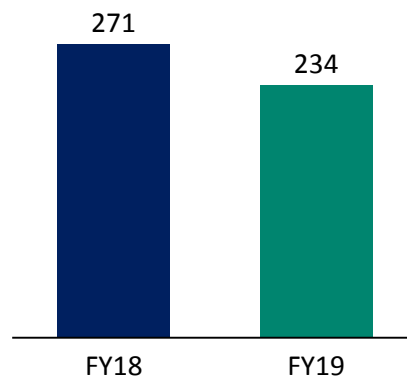
Financial Highlights – FY19



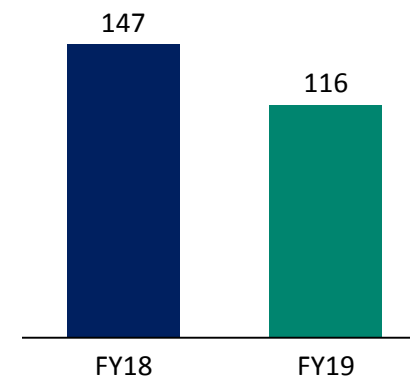
Revenue^



EBITDA^

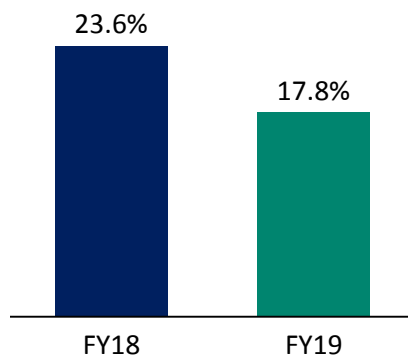


PAT

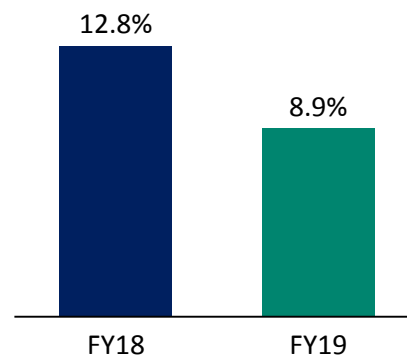


Rs. Crores

EBITDA^ (%)



PAT (%)



The Financial Results for FY19 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

^ Includes Other Income

Profit & Loss Statement – Q4 & FY19



Particulars (Rs. Crores)*	Q4 FY19	Q4 FY18	FY19	FY18
Revenue from Operations^	315	314	1,311	1,148
Total Raw Material	238	208	913	728
Employee Expenses	15	16	62	56
Other Expenses	23	25	103	94
EBITDA^	39	65	234	271
EBITDA Margin (%)	12.3%	20.7%	17.8%	23.6%
Depreciation	7	7	26	26
EBIT	32	58	207	246
EBIT Margin (%)	10.1%	18.5%	15.8%	21.4%
Finance Cost	2	3	11	15
Exceptional Items	0	0	10	0
Profit before Tax	29	55	186	231
Tax	11	22	70	84
Profit After Tax	18	33	116	147
PAT Margin (%)	5.8%	10.6%	8.9%	12.8%
EPS	5.91	10.84	37.82	47.58

^ Includes Other Income

The Financial Results for Q4 & FY19 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

* On Standalone Basis

Balance Sheet



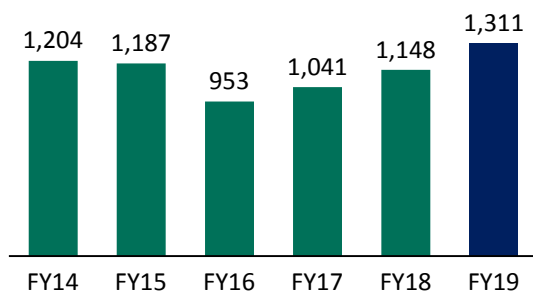
Particulars (Rs. Crores)	Mar – 19	Mar - 18
Equity		
Equity Share Capital	31	31
Other Equity	598	497
Total Equity	629	528
Non-Current Liabilities		
Financial Liabilities		
Borrowings	110	29
Other Liabilities	24	38
Provisions	3	3
Deferred Tax Liabilities (Net)	56	37
Total Non-Current Liabilities	192	107
Current Liabilities		
Financial Liabilities		
Borrowings	33	0
Trade Payables	232	150
Other Financial Liabilities	29	37
Other Current Liabilities	5	4
Provisions	2	1
Total Current Liabilities	301	193
Total Equity and Liabilities	1,122	827

Particulars (Rs. Crores)	Mar – 19	Mar – 18
Non-Current assets		
Property, Plant and Equipment	387	401
Capital Work-In-Progress	216	26
Goodwill	2	2
Other Intangible Assets	1	0
Intangible Assets under development	0	1
Financial Assets		
Investments	43	49
Loans	1	1
Other Financial Assets	4	3
Non-Current Tax Assets	6	7
Other Non-Current Assets	18	24
Total Non-Current Assets	679	513
Current Assets		
Inventories	129	94
Financial Assets		
Investments	70	41
Trade Receivables	183	139
Cash and Cash Equivalents	8	5
Bank Balances	17	17
Loans	1	1
Other Financial Assets	15	1
Other Current Assets	21	18
Total Current Assets	443	314
Total Assets	1,122	827

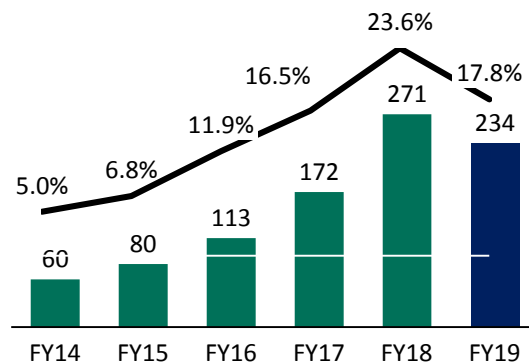
Financial Highlights



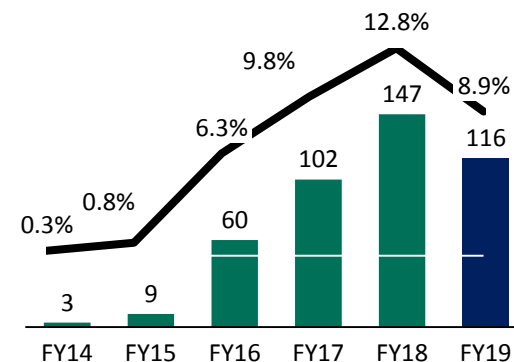
Revenue^ (Rs. Crores)



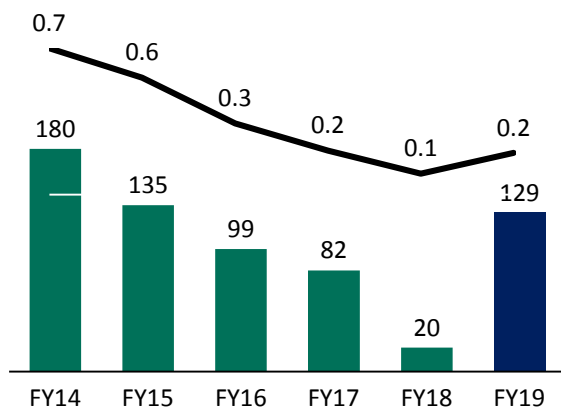
EBITDA^ (Rs. Crores) and Margin %



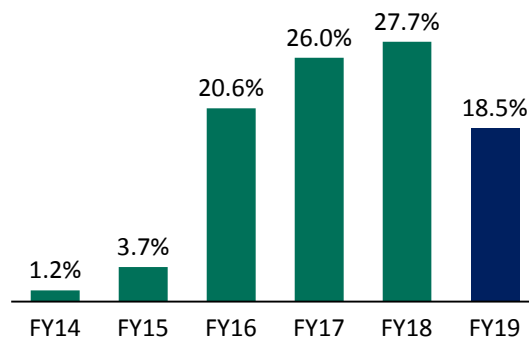
PAT (Rs. Crores) and Margin %



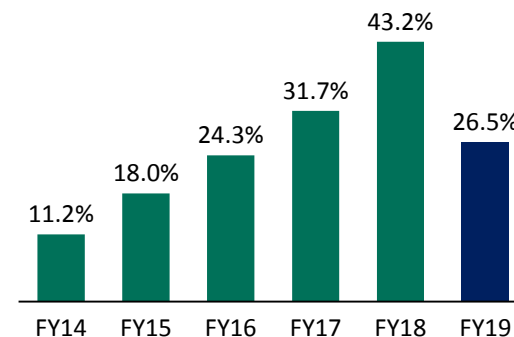
Net Debt (Rs. Crores) & Net Debt / Equity

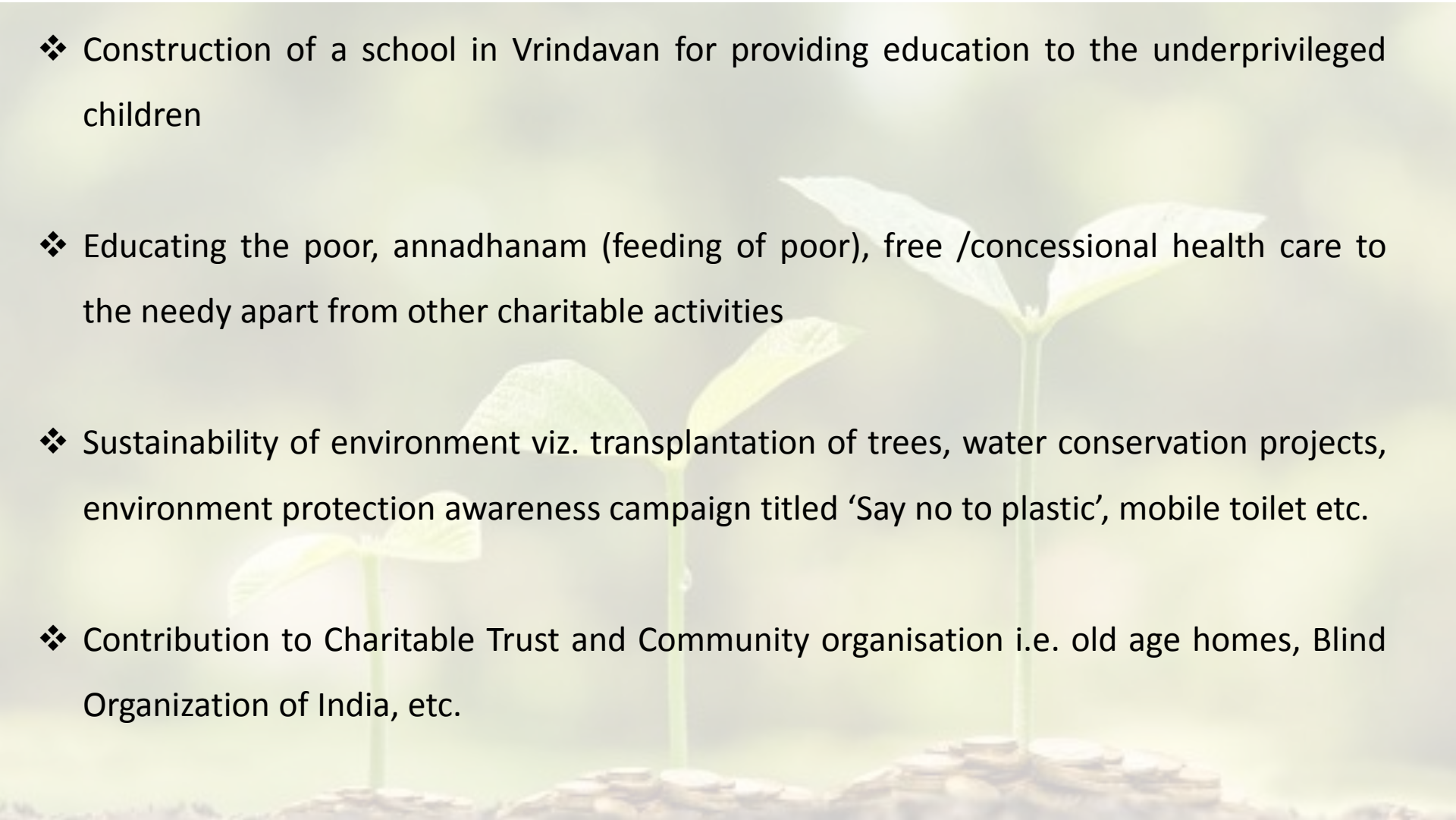


ROE %



ROCE %



- 
- ❖ Construction of a school in Vrindavan for providing education to the underprivileged children
 - ❖ Educating the poor, annadhanam (feeding of poor), free /concessional health care to the needy apart from other charitable activities
 - ❖ Sustainability of environment viz. transplantation of trees, water conservation projects, environment protection awareness campaign titled 'Say no to plastic', mobile toilet etc.
 - ❖ Contribution to Charitable Trust and Community organisation i.e. old age homes, Blind Organization of India, etc.



Annexures

Journey So Far



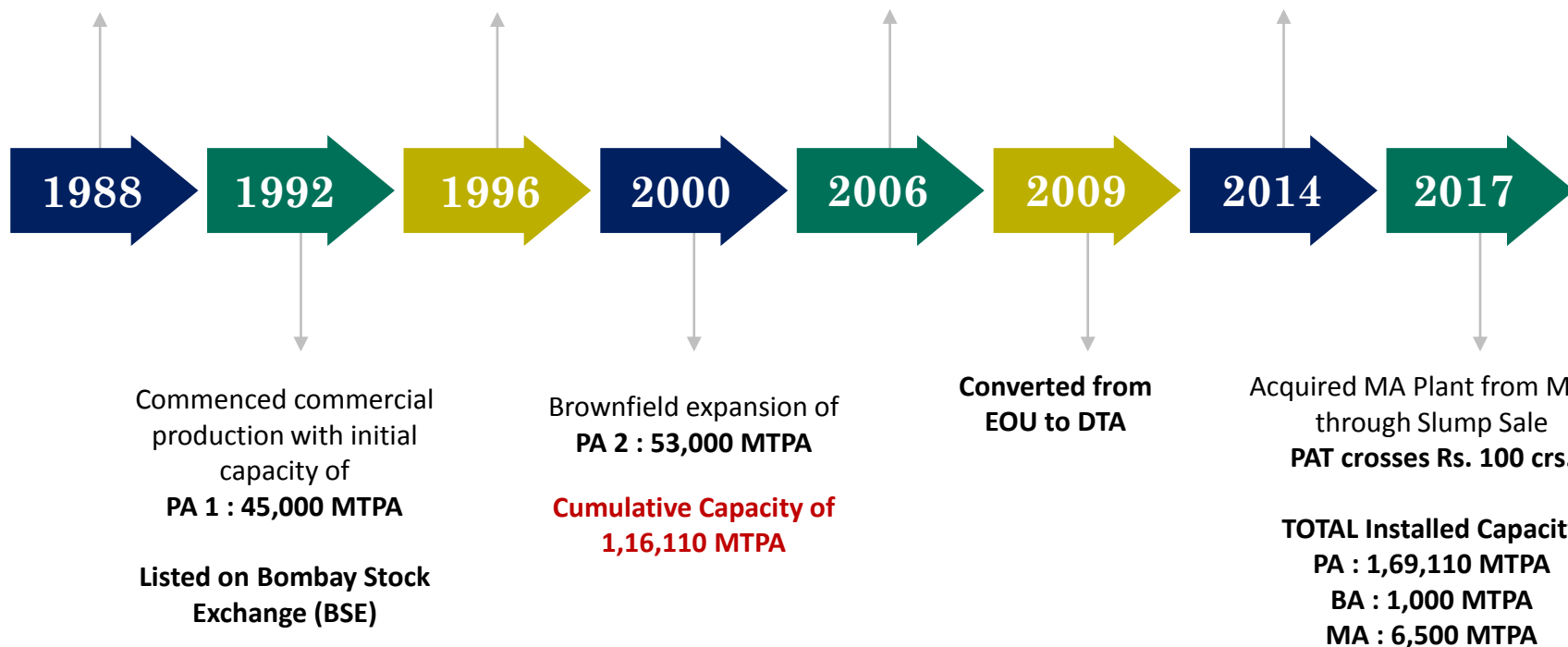
IGPL started as 100% EOU
in technical collaboration
with Lurgi GmbH,
Germany*

Debottlenecking of
PA capacity by
18,110 MTPA

Listed on National Stock
Exchange (NSE)

Brownfield expansion of
PA 3 : 53,000 MTPA
Revenues cross Rs. 1,000 crs.

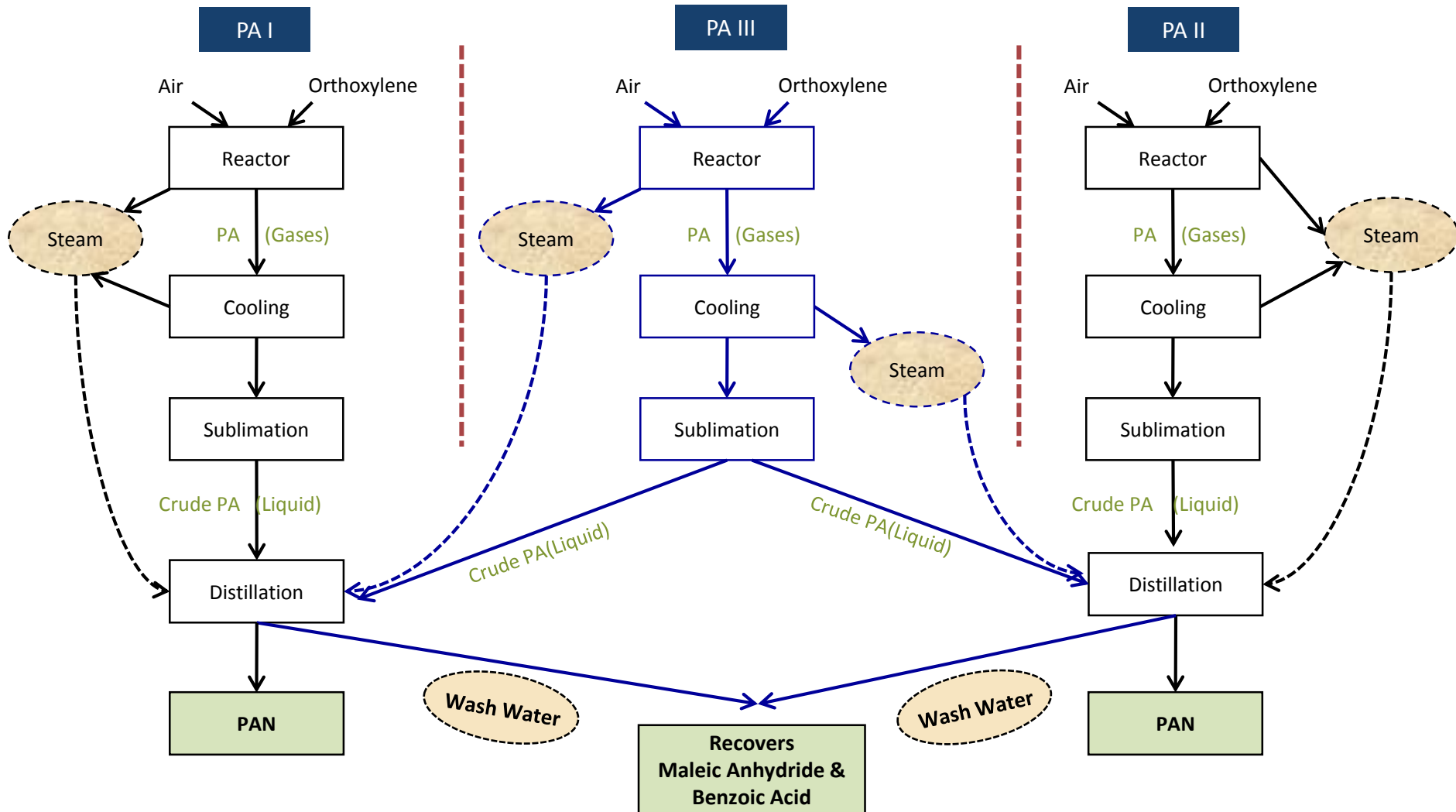
**Cumulative Capacity of
1,69,110 MTPA**



* For an initial period of 10 years

PA – Phthalic Anhydride; MA – Maleic Anhydride; BA – Benzoic Acid;
MTPA – Metric Tonnes per annum; MPCL – Mysore Petro Chemicals Ltd.

Production Process



For further information, please contact

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