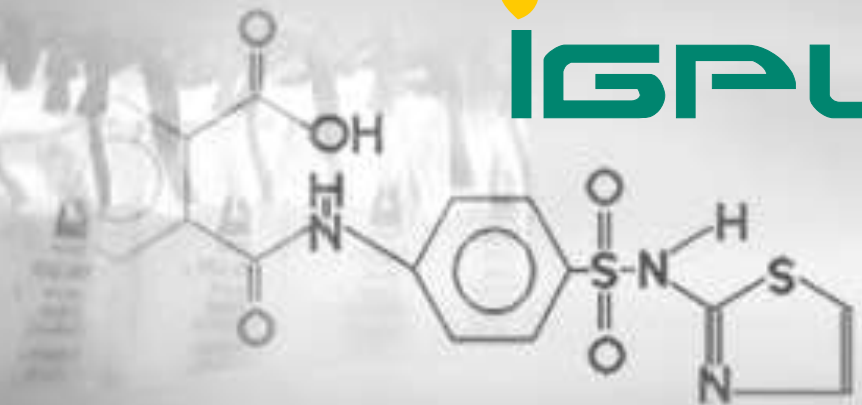


**IG Petrochemicals Ltd**  
**Investor Presentation - Q2FY16**



# Safe Harbor



This presentation and the accompanying slides (the “Presentation”), which have been prepared by I G Petrochemicals Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

# 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**

---

- ✓ 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**

---

- ✓ 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)**

---

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

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

---

- ✓ 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**

---

- ✓ 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)**

---

- ✓ 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 flowchart diagram with a central box at the top labeled 'Phthalic Anhydride (PA)'. Five large, colorful arrows (blue, orange, green, brown, and pink) point downwards from this box to five separate text boxes at the bottom. Each text box contains a specific use or property of PA.

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



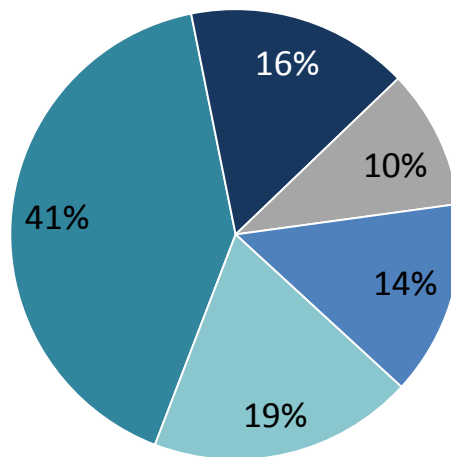
Plasticizers



Paints



CPC (Color Pigments)



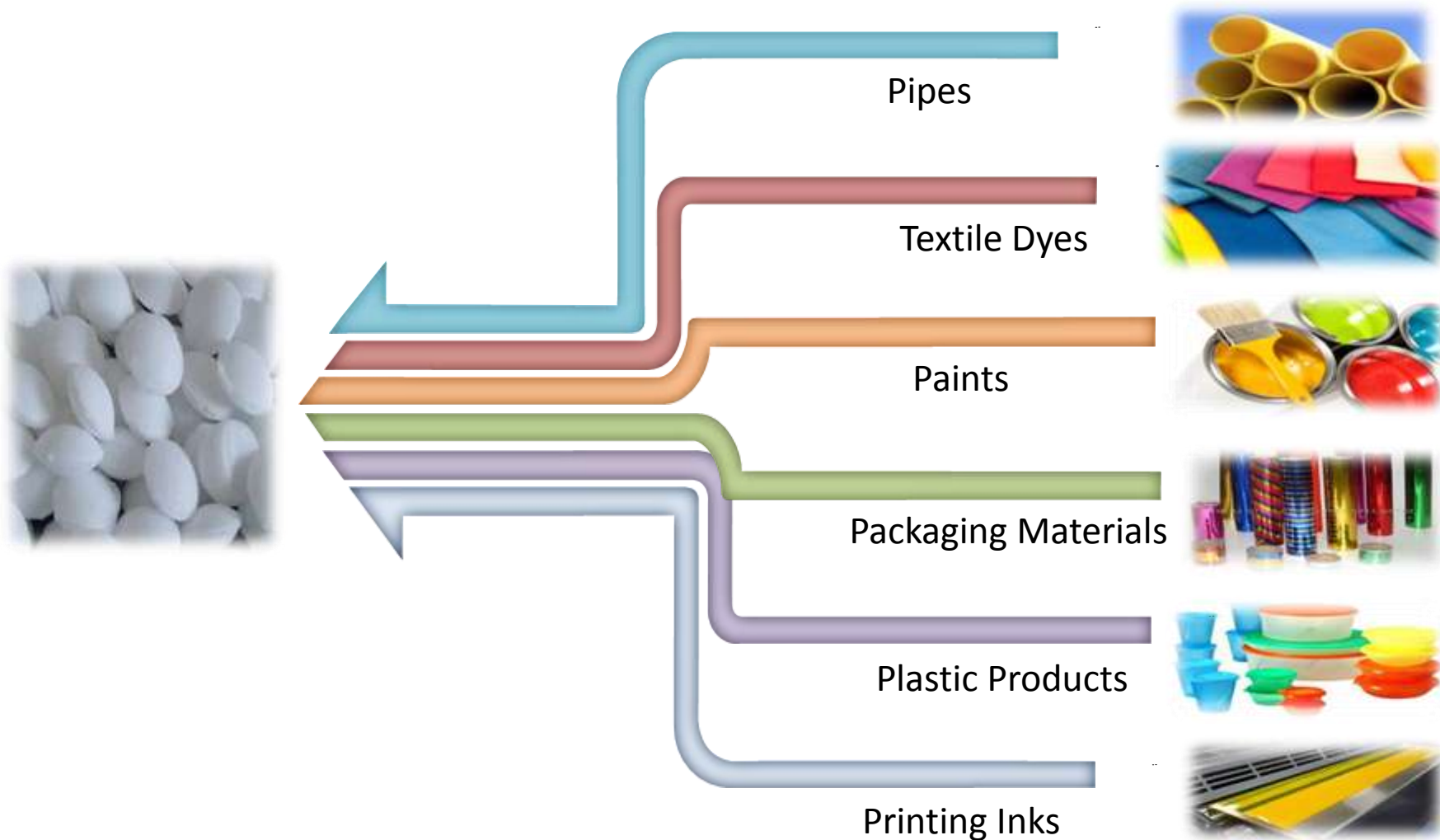
Others



Unsaturated Polyester Resin (UPR)



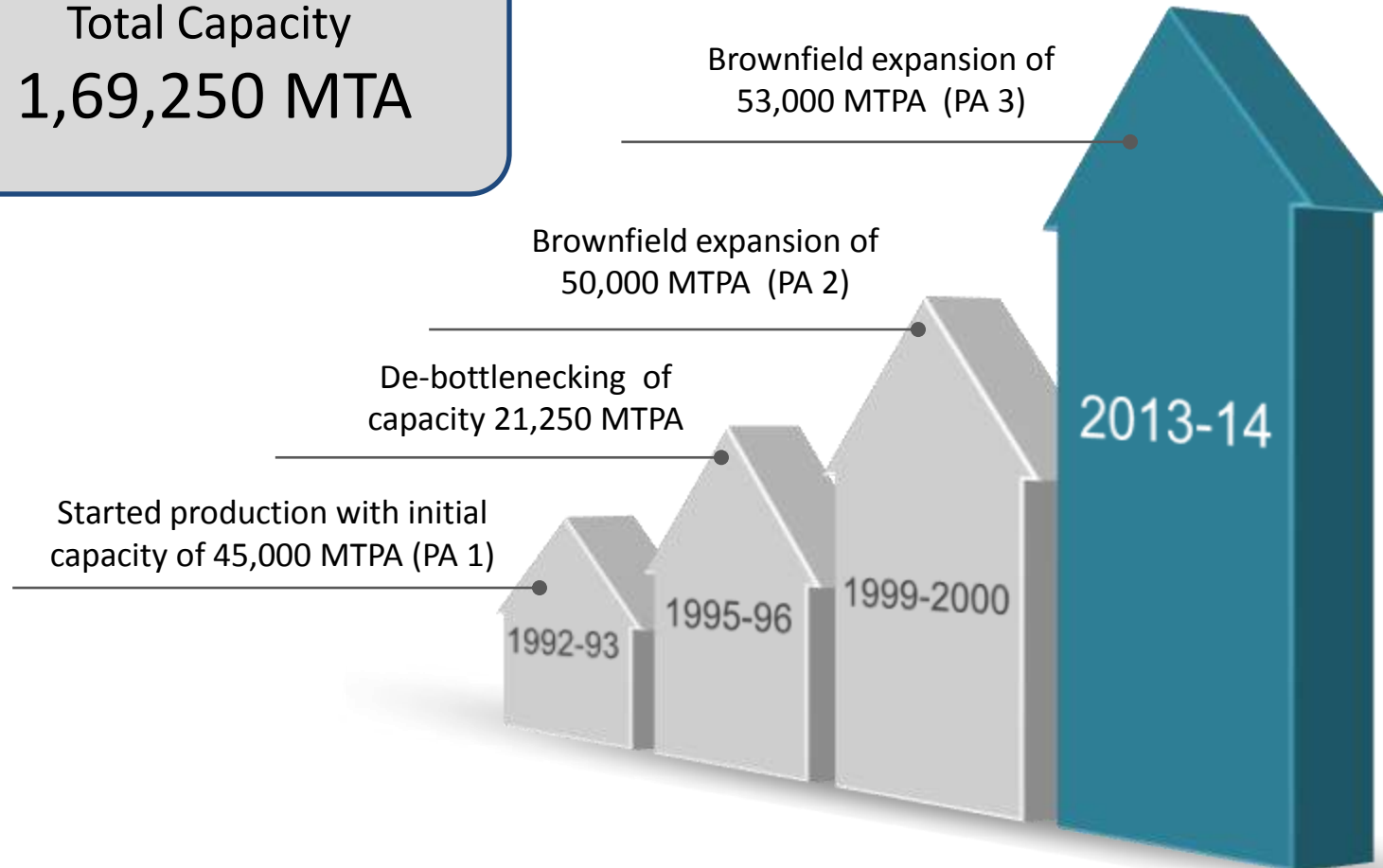
# Phthalic Anhydride (PA) : Varied Applications



# Manufacturing Capacity



Total Capacity  
1,69,250 MTA





# Manufacturing Facilities



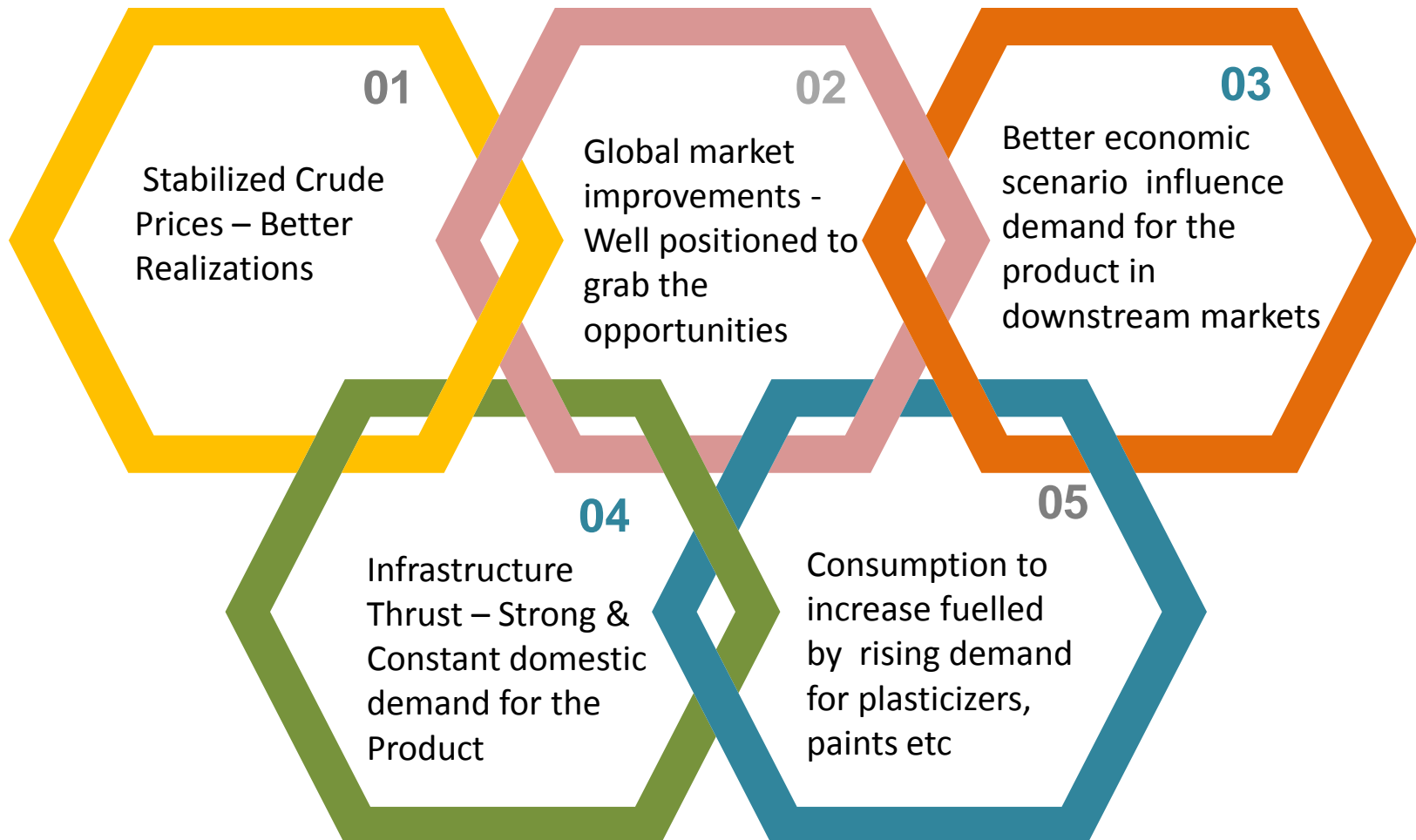
- Located at MIDC, Taloja in Raigad District, Maharashtra
- 3 units at Single Location
- 50 Km away from Jawaharlal Nehru Port Trust (JNPT), Nhavasheva, Mumbai, Maharashtra
- Proximity to India's Chemical Hub



# Key Customers



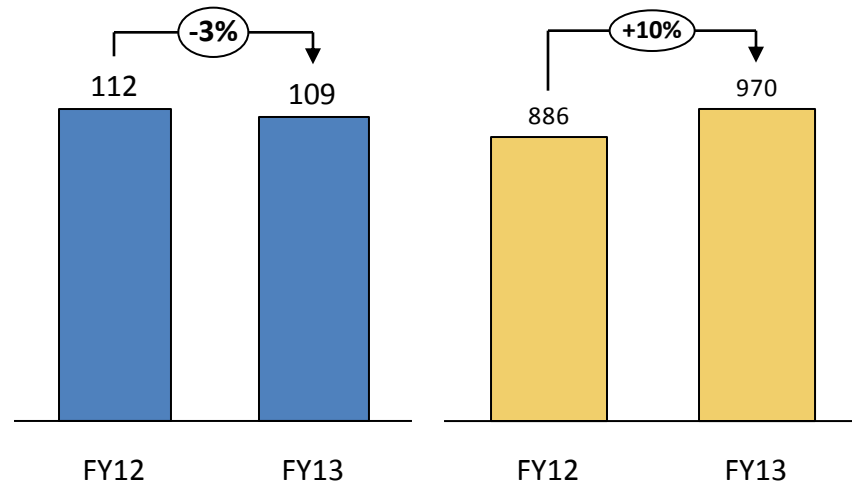
# Consumption Pull for Phthalic Anhydride



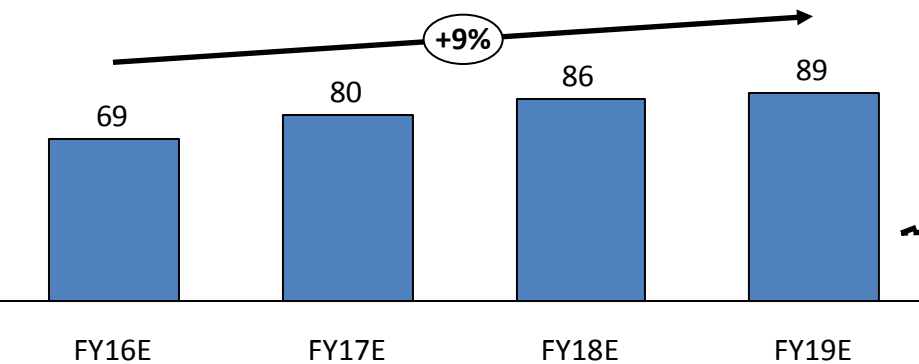
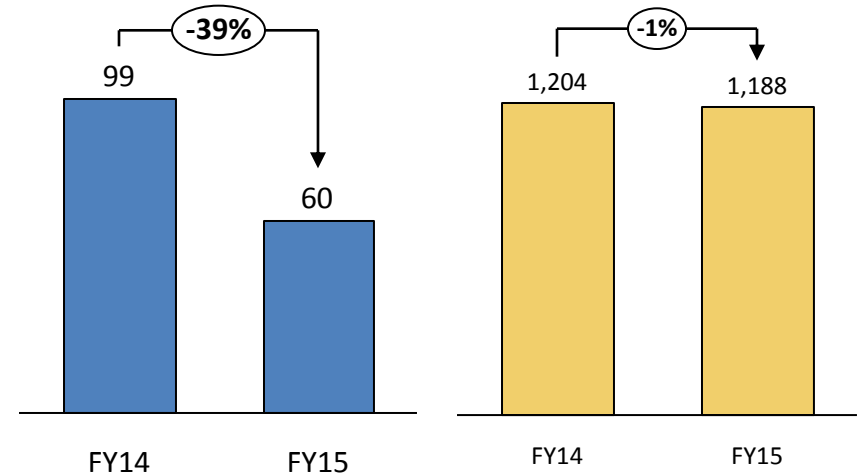
# Consumption Pull for Phthalic Anhydride



**Stable crude prices - Long term Demand on track thus increase in the production**



**Drastic drop in crude prices – Buyers put-off purchases in anticipation of further drop**

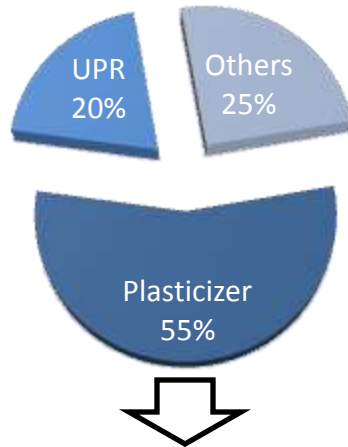


- As Crude oil prices recovers - End user demand picks up
- As Prices firm up - End users start building up their Inventories

# Consumption Pull for Phthalic Anhydride



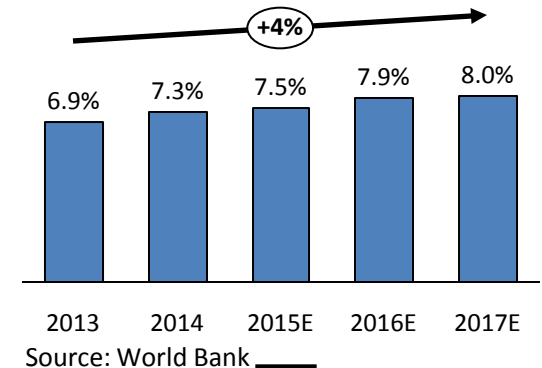
## Global PA Consumption - ~5.5mn tones



- 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 (%)



- 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**

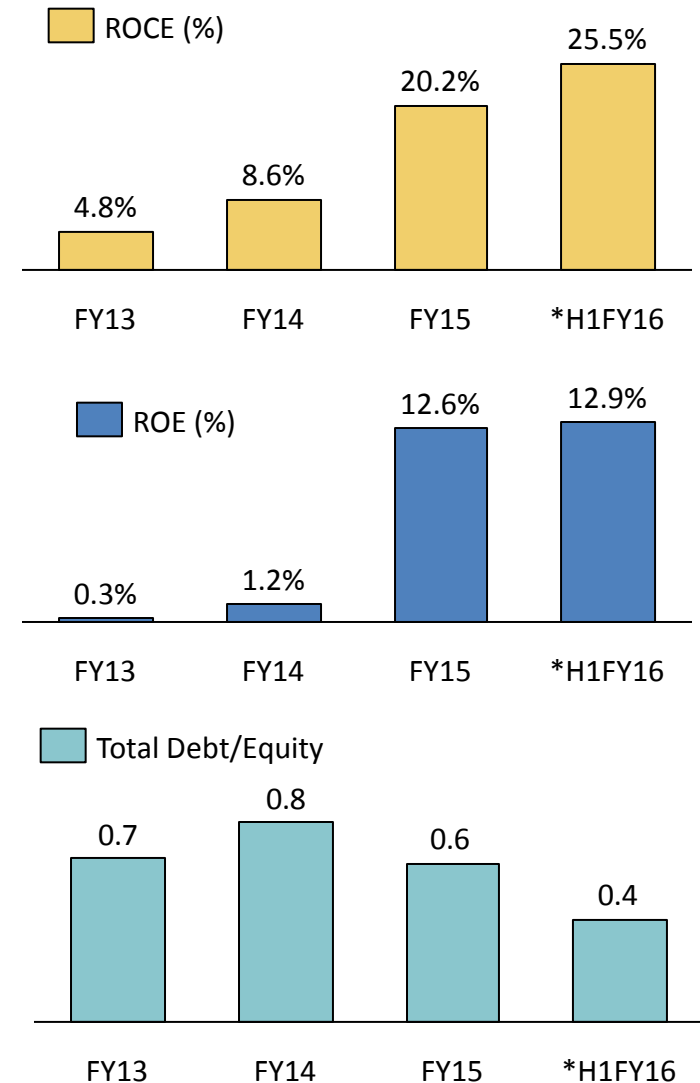
# Positive



- 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



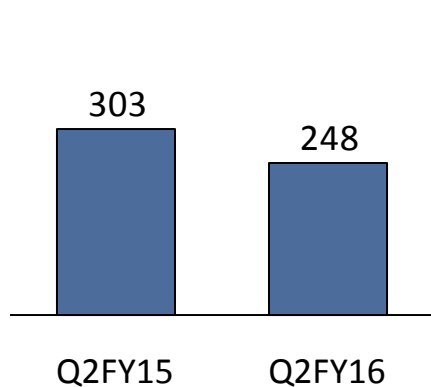
\* Based on TTM basis

# Result Highlights

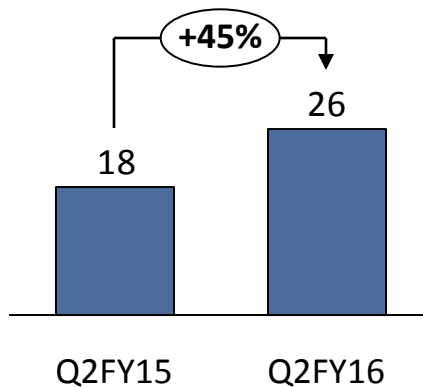


Rs. In Crs

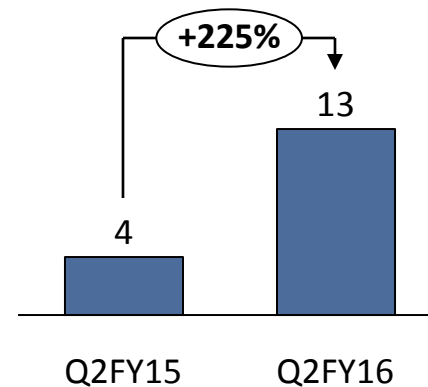
## Sales



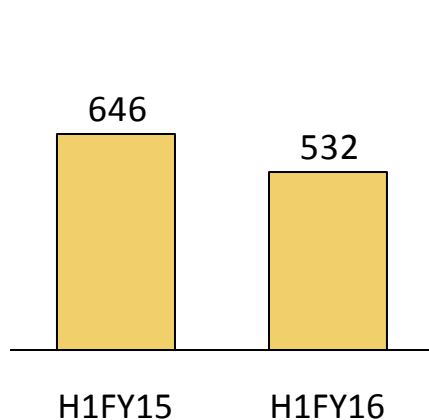
## EBITDA



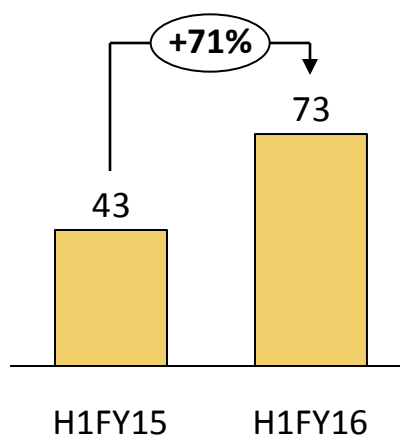
## PAT



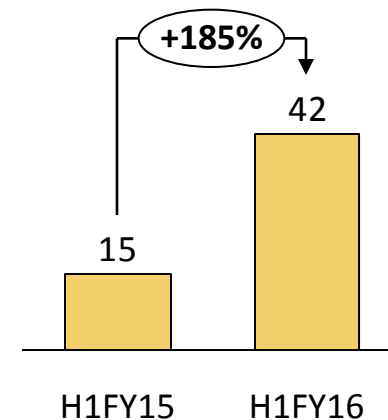
## Sales



## EBITDA

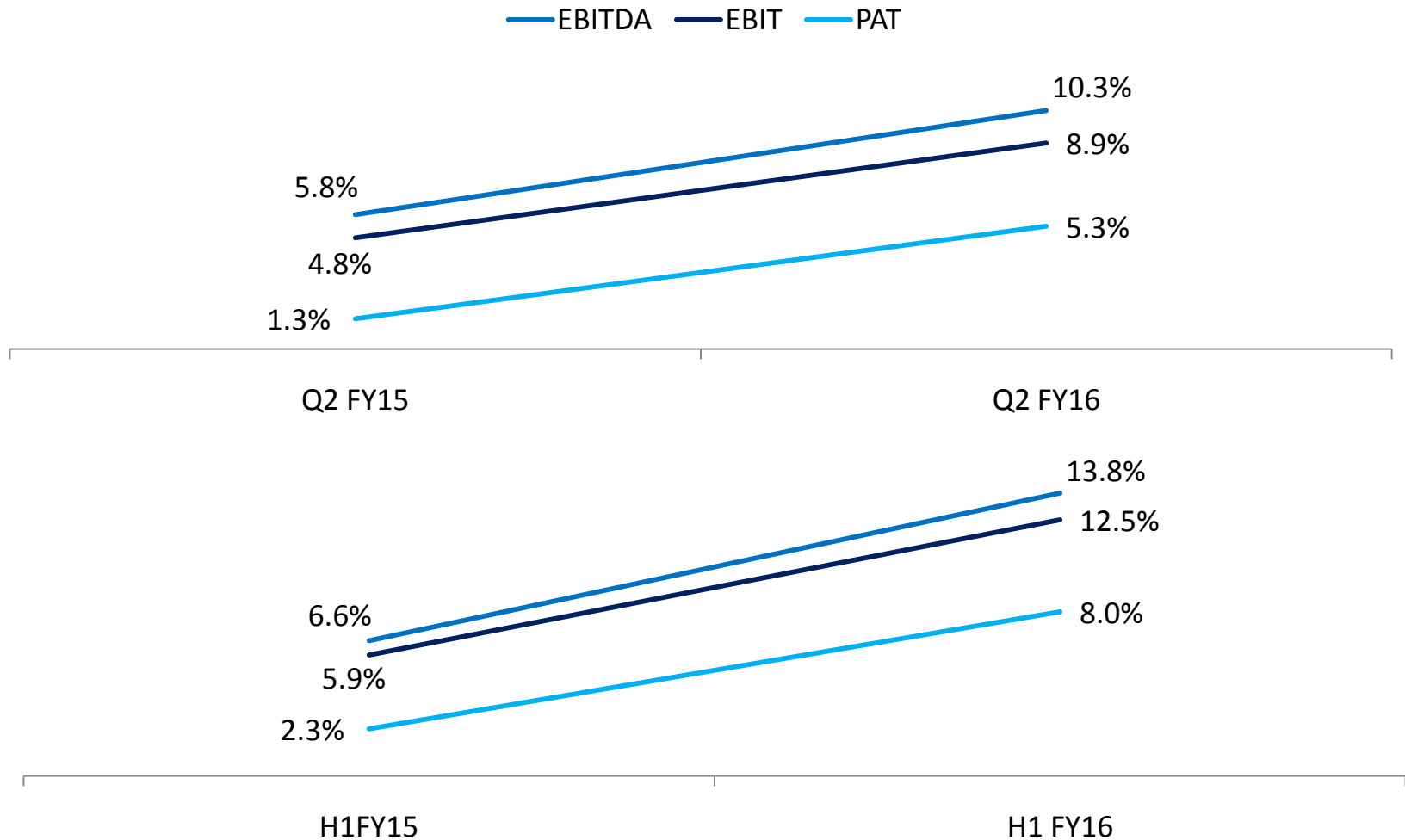


## PAT





# Margin Expansion



# Profit & Loss Statement - Quarterly



Particulars (Rs. In Crs)	Q2FY16	Q2FY15	Y-o-Y
Revenue from Operations	246.44	302.96	
Other operating Income	1.55	0.27	
<b>Total Revenue</b>	<b>247.98</b>	<b>303.23</b>	
Cost of Material Consumed	<b>197.93</b>	<b>275.12</b>	
Changes in Inventories	-2.70	-17.57	
Employee Expenses	7.22	7.22	
Other Expenses	19.92	20.82	
<b>EBITDA</b>	<b>25.61</b>	<b>17.63</b>	<b>45%</b>
<b>EBITDA %</b>	<b>10.3%</b>	<b>5.8%</b>	
Other Income	0.76	1.22	
Depreciation	4.36	4.17	
<b>EBIT</b>	<b>22.01</b>	<b>14.68</b>	<b>50%</b>
<b>EBIT (%)</b>	<b>8.9%</b>	<b>4.8%</b>	
Finance Cost	5.40	9.59	
<b>Profit before Tax</b>	<b>16.61</b>	<b>5.09</b>	<b>226%</b>
Tax	3.54	1.07	
<b>Profit after Tax</b>	<b>13.07</b>	<b>4.03</b>	<b>225%</b>
<b>PAT %</b>	<b>5.3%</b>	<b>1.3%</b>	

# Profit & Loss Statement – Half Yearly



Particulars (Rs. In Crs)	H1FY16	H1FY15	Y-o-Y
Revenue from Operations	528.79	645.40	
Other operating Income	3.13	0.55	
<b>Total Revenue</b>	<b>531.91</b>	<b>645.94</b>	
Cost of Material Consumed	<b>417.28</b>	<b>565.03</b>	
Changes in Inventories	-14.40	-15.11	
Employee Expenses	14.51	14.01	
Other Expenses	41.23	39.16	
<b>EBITDA</b>	<b>73.30</b>	<b>42.84</b>	71%
<b>EBITDA %</b>	<b>13.8%</b>	<b>6.6%</b>	
Other Income	1.54	3.80	
Depreciation	8.60	8.41	
<b>EBIT</b>	<b>66.23</b>	<b>38.23</b>	73%
<b>EBIT (%)</b>	<b>12.5%</b>	<b>5.9%</b>	
Finance Cost	12.39	19.43	
<b>Profit before Tax</b>	<b>53.84</b>	<b>18.79</b>	186%
Tax	11.49	3.94	
<b>Profit after Tax</b>	<b>42.35</b>	<b>14.86</b>	185%
<b>PAT %</b>	<b>8.0%</b>	<b>2.3%</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>

**For further information, please contact**

**Company :**

I G Petrochemicals Ltd  
CIN: L51496GA1988PLC000915  
Mr. R . Chandrasekaran -CFO  
[rchandra@igpetro.com](mailto:rchandra@igpetro.com)

[www.igpetro.com](http://www.igpetro.com)

**Investor Relations Advisors :**

Strategic Growth Advisors Pvt. Ltd.  
CIN: U74140MH2010PTC204285  
Ms. Neha Shroff / Ms. Ruchi Rudra  
[sneha@sgapl.net](mailto:sneha@sgapl.net) / [rruchi@sgapl.net](mailto:rruchi@sgapl.net)

[www.sgapl.net](http://www.sgapl.net)