

**I G Petrochemicals Ltd**  
**Investor Presentation - Q2FY16**



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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)

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



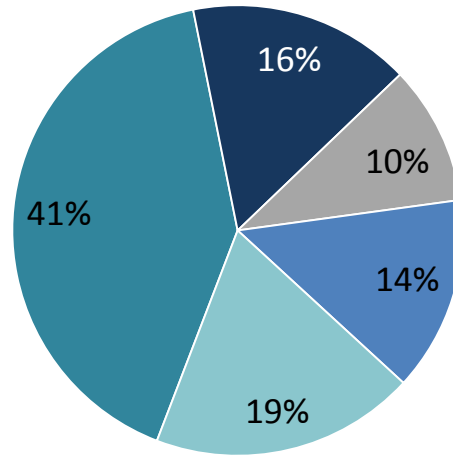
## Plasticizers



## Paints



## CPC (Color Pigments)



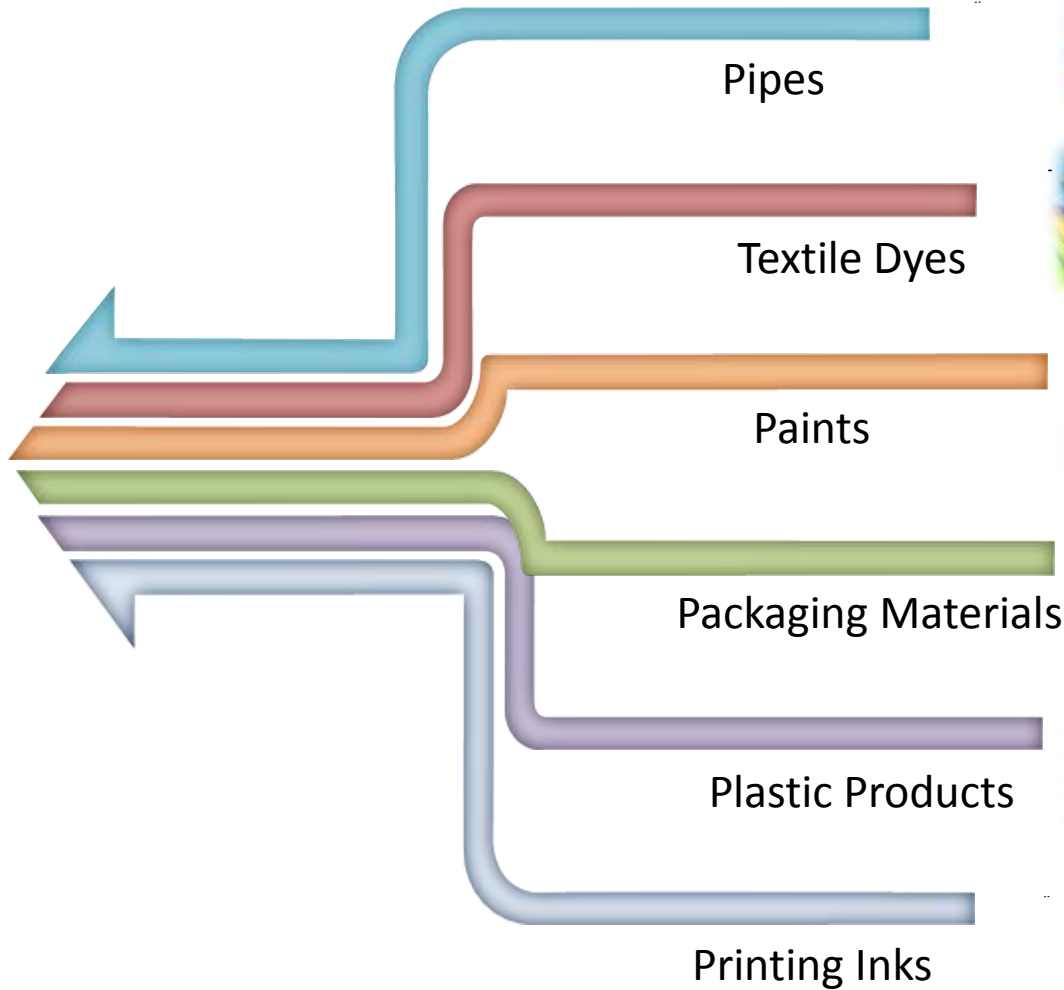
## Others



## Unsaturated Polyester Resin (UPR)



# Phthalic Anhydride (PA) : Varied Applications



Pipes



Textile Dyes



Paints



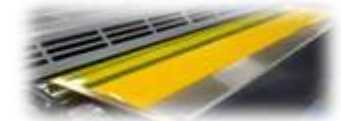
Packaging Materials



Plastic Products



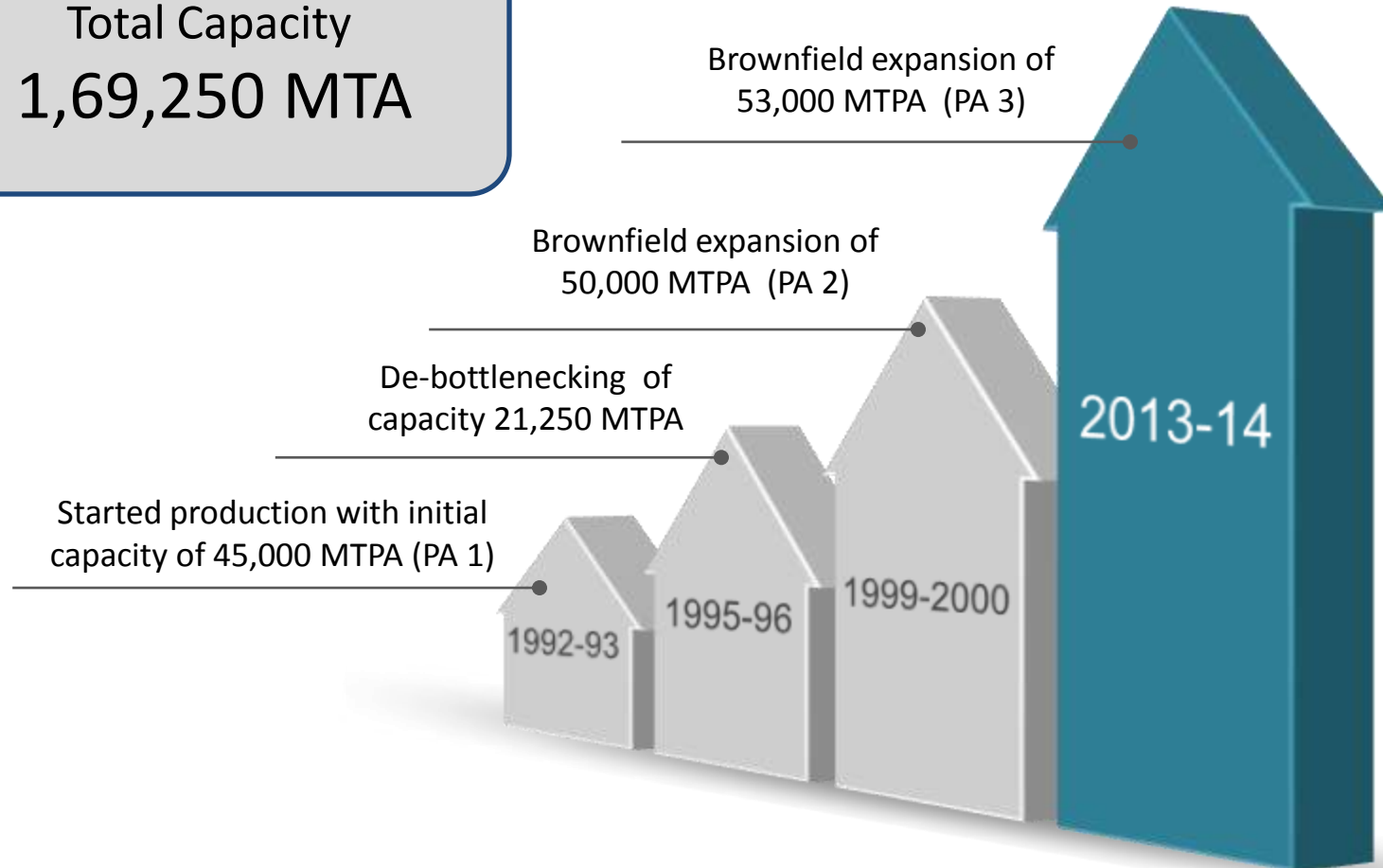
Printing Inks



# 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



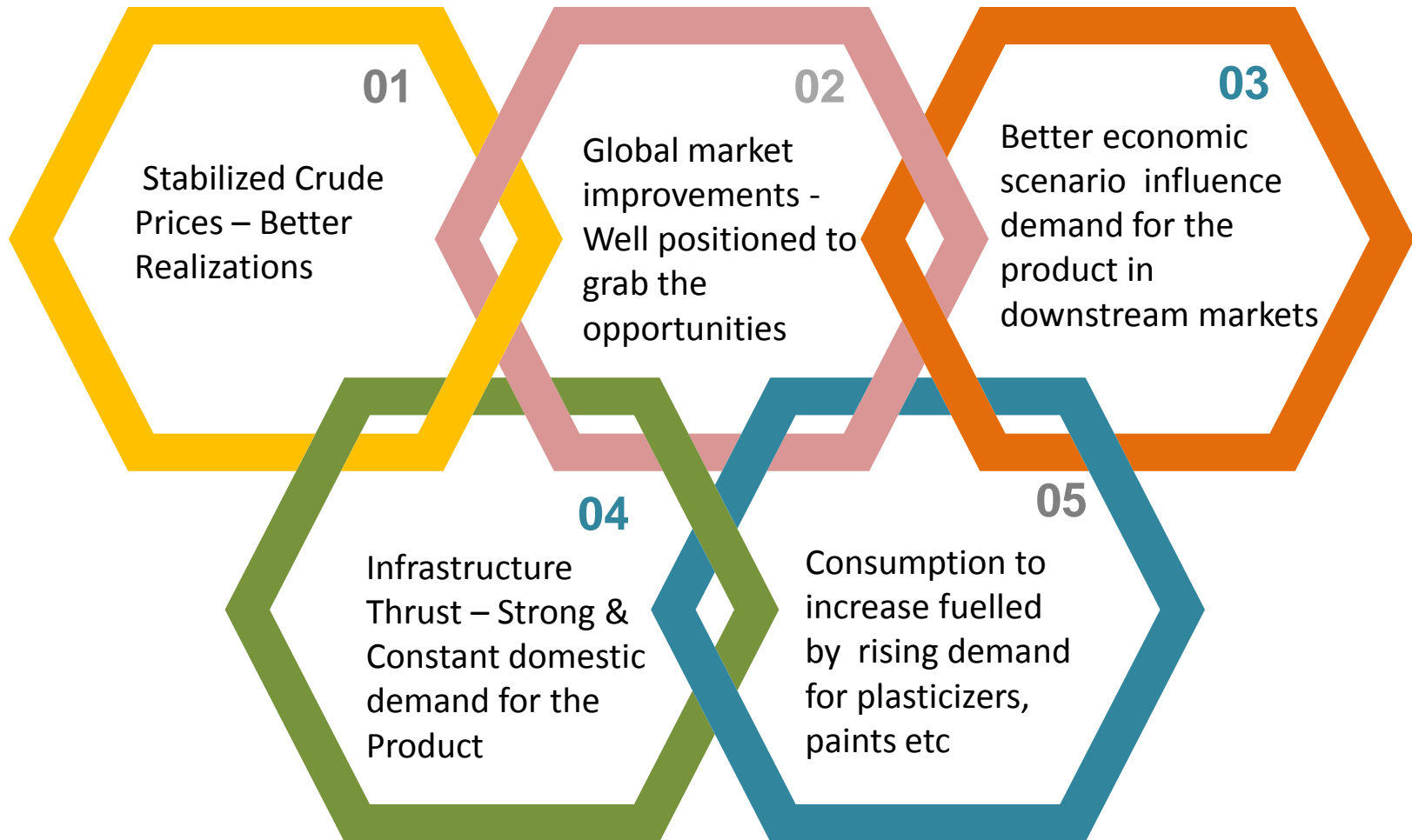
AkzoNobel



AARTI INDUSTRIES LIMITED



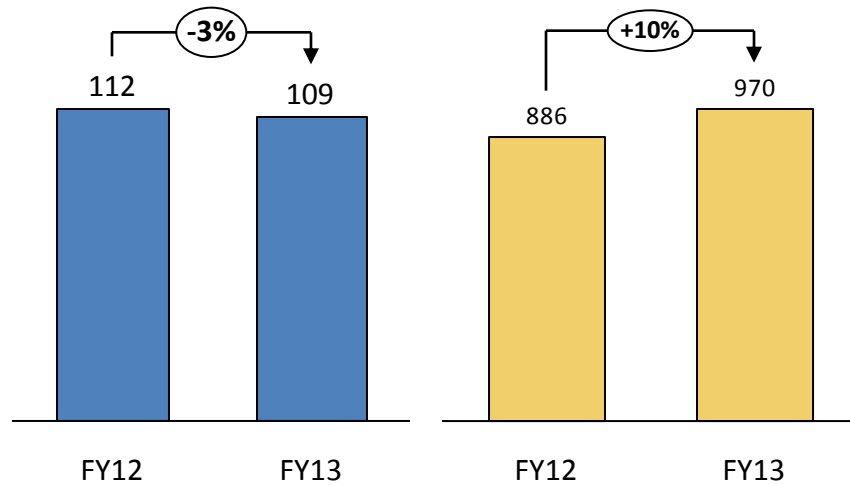
# Consumption Pull for Phthalic Anhydride



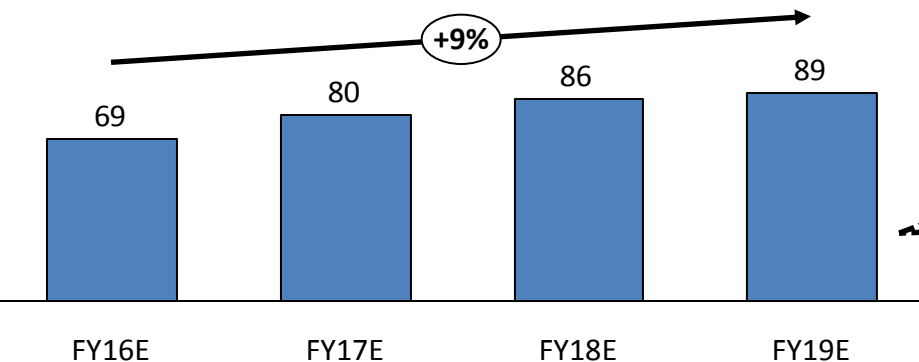
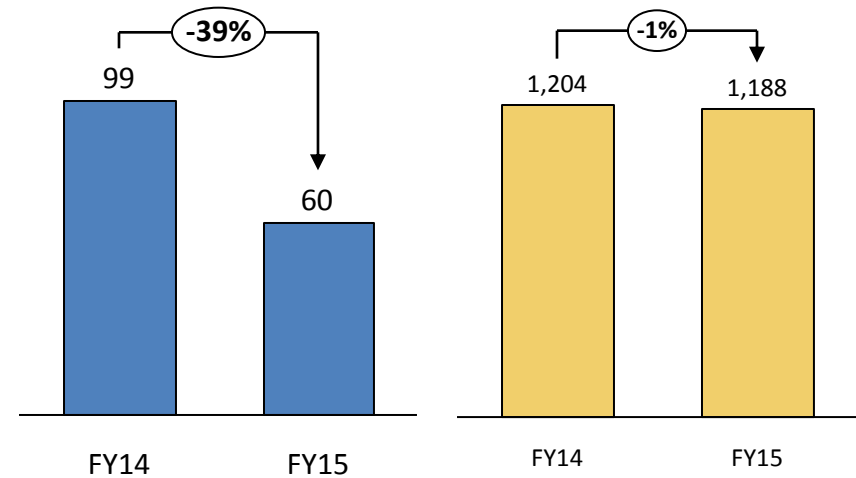
# Consumption Pull for Phthalic Anhydride



**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**

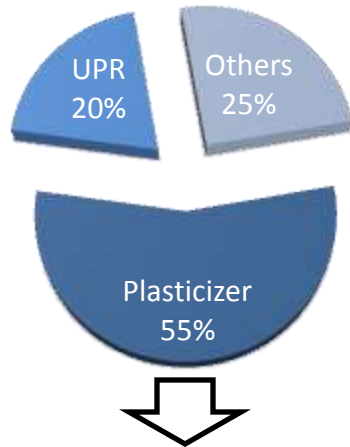


- As Crude oil prices recovers - End user demand picks up
- As Prices firm up - End users start building up their Inventories

# Consumption Pull for Phthalic Anhydride



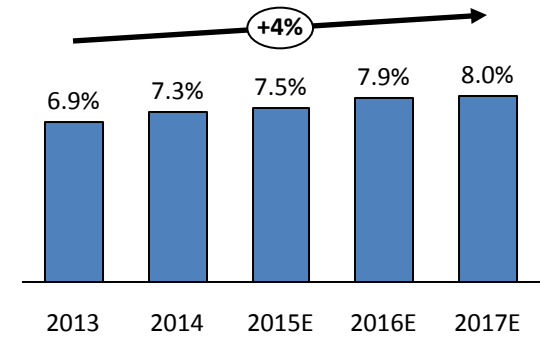
## Global PA Consumption - ~5.5mn tones



- 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 (%)



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



**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**

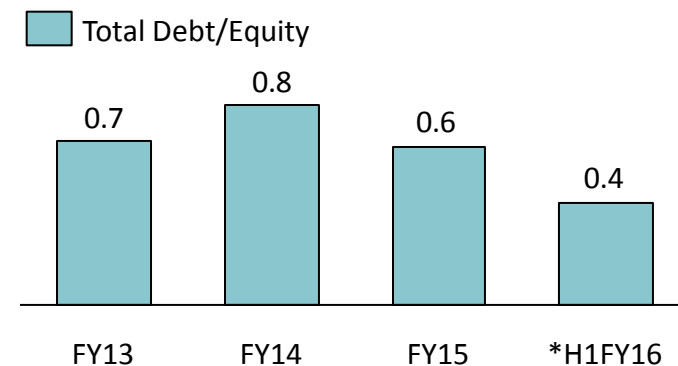
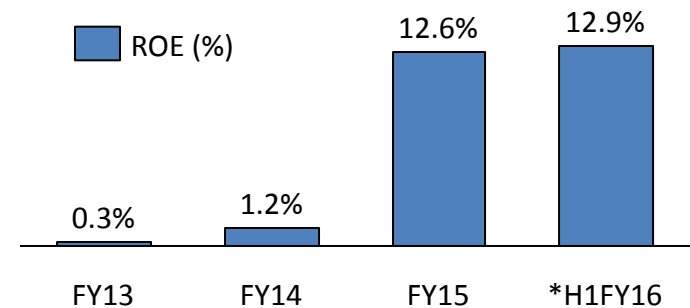
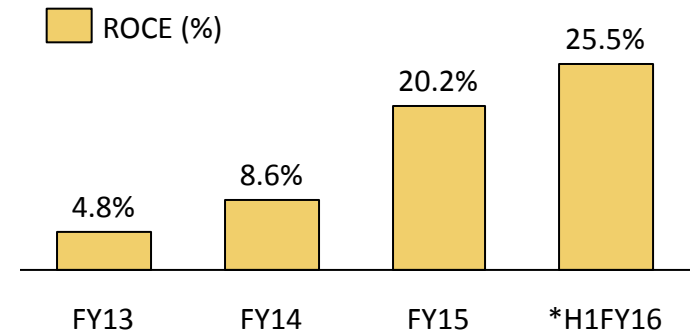
# Positive



- 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



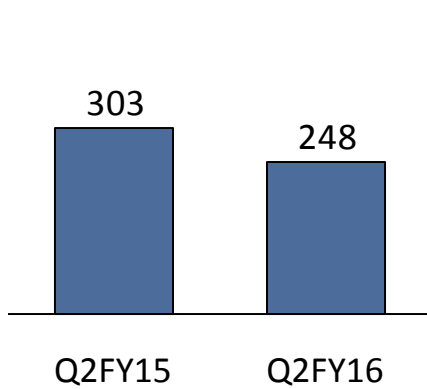
\* Based on TTM basis

# Result Highlights

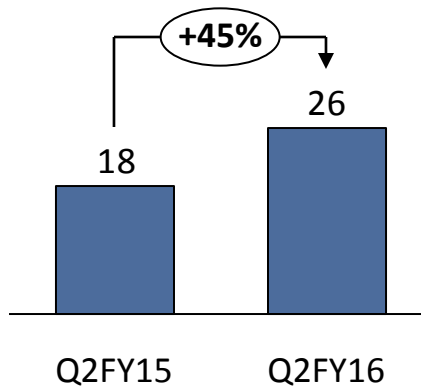


Rs. In Crs

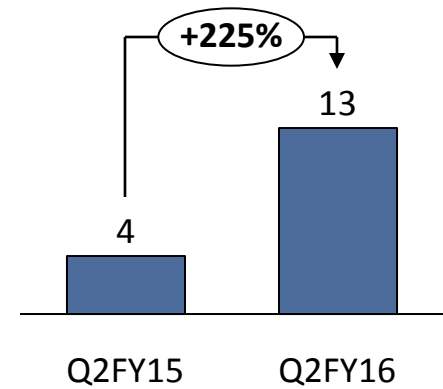
## Sales



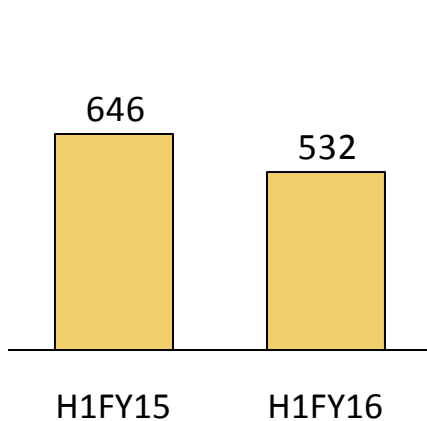
## EBITDA



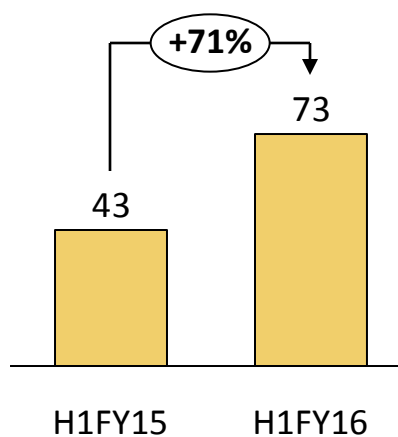
## PAT



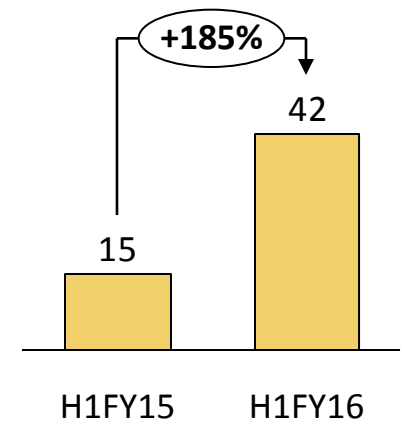
## Sales



## EBITDA

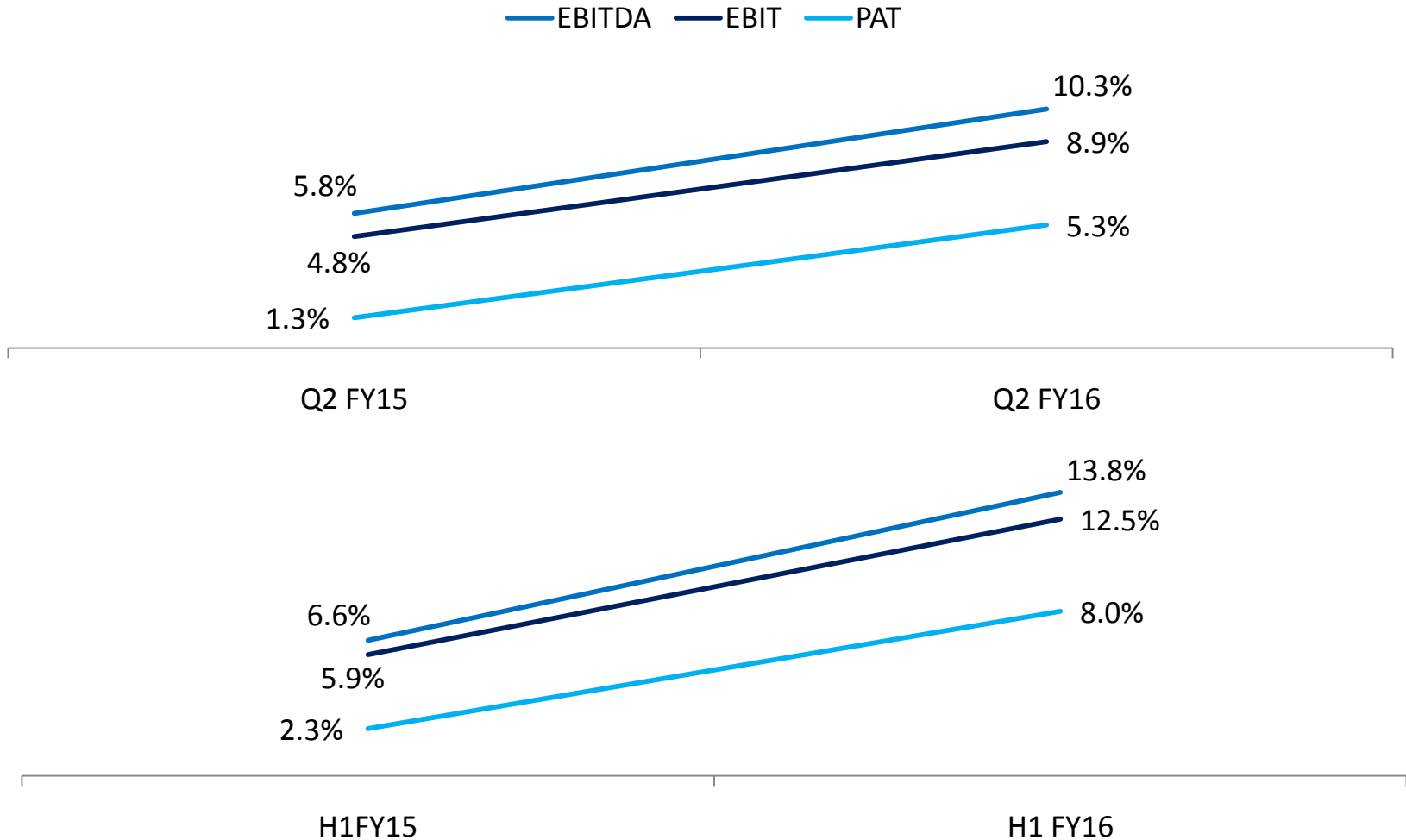


## PAT





# 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**

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