


IG PETROCHEMICALS LIMITED

SECT/1042

3rd May, 2017

BSE Limited
Corporate Relationship Department
1st Floor, P J Towers
Dalal Street
Mumbai - 400 001

Scrip Code: 500199

The National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

Scrip Code: IGPL

Dear Sir,

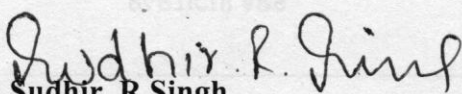
Sub : Investor Presentation – Regulation 46

We enclose herewith a Investor Presentation on Audited Financial Results for the fourth quarter and year ended 31st March, 2017.

We request you to kindly take the same on your record.

Thanking you.

Yours faithfully,
For **IG Petrochemicals Limited**


Sudhir R Singh
Company Secretary



Encl : as above



IG PETROCHEMICALS LIMITED

Investor Presentation – May 2017

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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

COMPANY OVERVIEW



Flagship Company of the Dhanuka Group

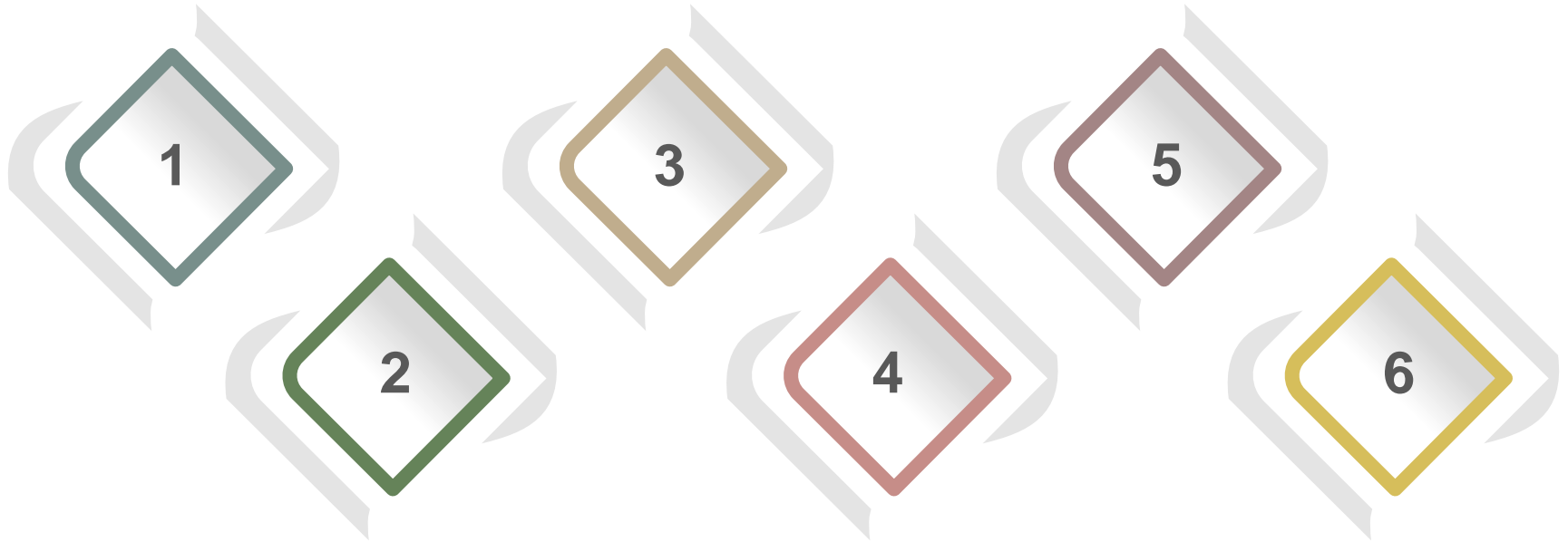
One of the world's largest & India's largest Phthalic Anhydride (PAN) manufacturer

Incorporated in 1988 and began Commercial production in 1992

Scaled from 45,000 MTPA PAN manufacturing capacity to 1,69,250 MTPA

ISO 9001:2008 for quality management system

ISO 14001:2004 for environment certification from Bureau Veritas

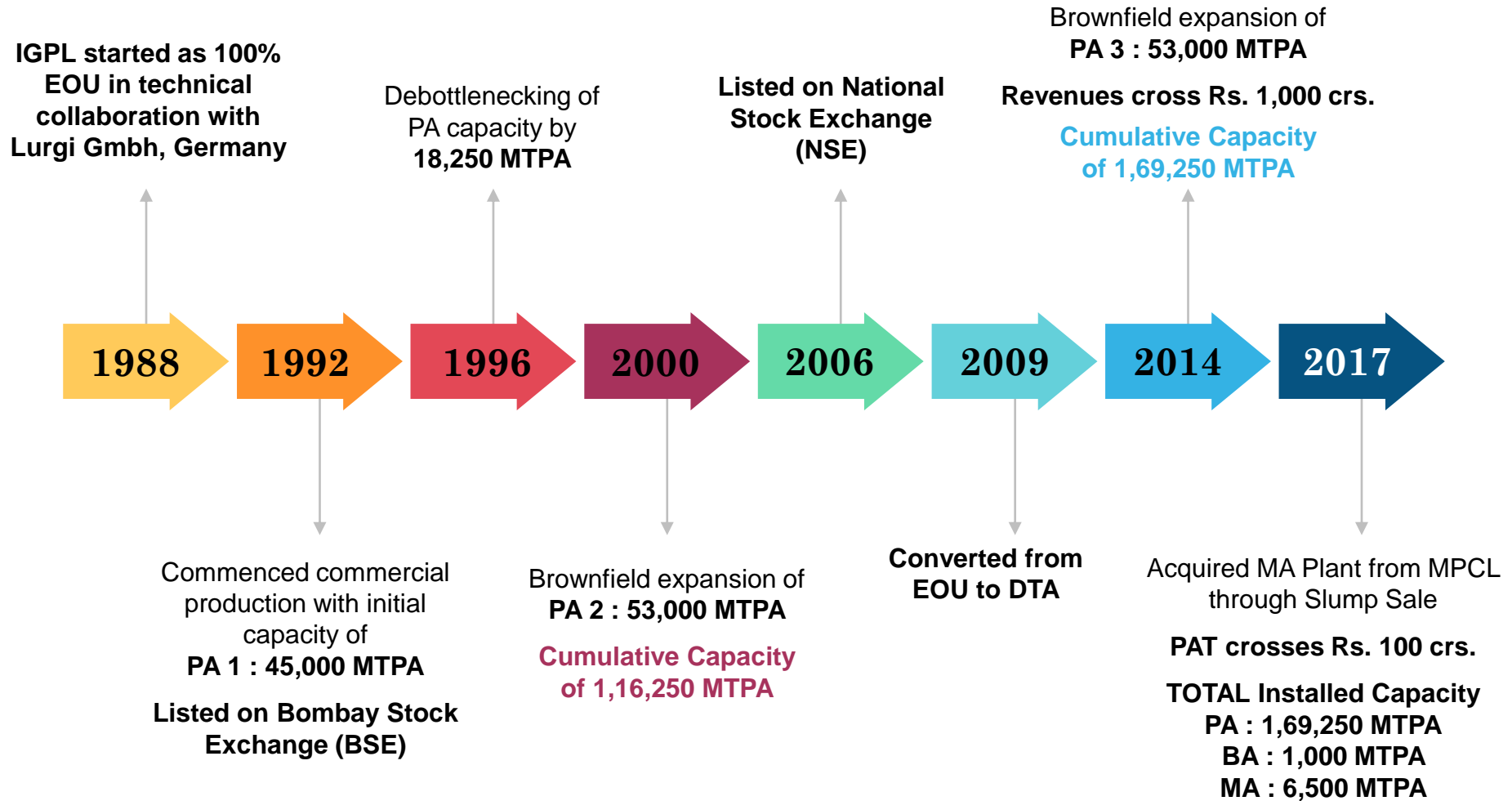


One of the Lowest Cost Producer of Phthalic Anhydride in the world

Three Phthalic Anhydride manufacturing units at MIDC, Taloja in Raigad district (Maharashtra, India)

CREDIT RATING (2016)
Long-Term Rating - 'IND A'
Outlook is Stable

JOURNEY SO FAR



Mr. M M Dhanuka: Chairman

- ❑ Aged 68 years, a B.E. (Chem) and a founder member of the Company along with Late Shri Shyam Sundar Dhanuka
- ❑ Possesses over 35 years of varied experience and expertise in technical, production and marketing
- ❑ True Entrepreneur who made a turnaround in business through his far sightedness and effective decision making

Mr. Nikunj Dhanuka: Managing Director & CEO

- ❑ Aged 50 years, a Commerce and a Management Graduate. Possesses diverse experience in handling overseas business and an extensive knowledge on the functioning of Chemical Industries
- ❑ In charge of the overall affairs of the Company and specifically supervises the finance, banking and operations of the Company

Mr. J K Saboo: Executive Director

- ❑ B.Com., LL.B with over 40 years of experience
- ❑ Currently in charge of the overall activities at Taloja and is associated with the Company since 1992

Mr. R Chandrasekaran: CFO

- ❑ C.A. and CS with over 30 years of experience
- ❑ Responsible for all the financial related activities and is associated with the Company since 1999

Mr. S N Maheshwari: President (Fin. & Accs.)

- ❑ C.A with over 35 years of experience
- ❑ Currently is responsible for financial, accounts and taxation matters

Mr. G V R Reddy: President (Technical)

- ❑ M.Sc. Engg (Electrical & Instrumentation) and has around 35 years experience
- ❑ Currently he is in-charge of the Plant at Taloja

Mr. A S Pawan Kumar : Sr. Gen. Manager

- ❑ B.Tech (Mechanical) with 22 years of experience
- ❑ Currently in charge of the technical activities at Taloja

Mr. Sudhir Singh : Company Secretary

- ❑ CS with over 20 years of experience
- ❑ Responsible for all the legal, secretarial and compliance related activities



business overview

Organic
Chemistry

01

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

PA is a versatile intermediate in organic chemistry

Intermediate

02

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

Varied
Applications

03

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

Increase in
Usages

04

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

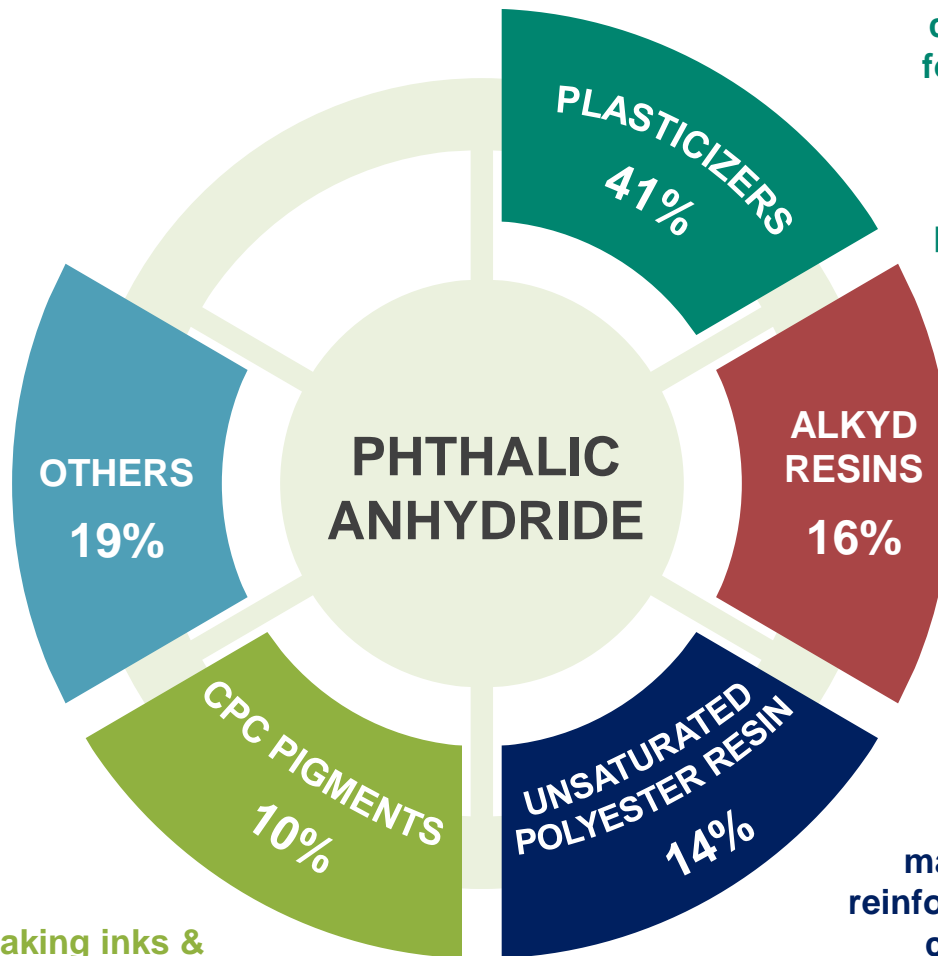
END USER INDUSTRY & APPLICATION

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

Used in manufacturing of paints and coatings

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

Used for making inks & photovoltaic cells



KEY CUSTOMERS

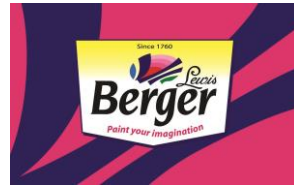


Over Two Decades of Strong Customer Relationships with Key Customers

PLASTICIZERS



PAINTS



UPR



DEP



CPC PIGMENT



Low Client Concentration Risk

STATE OF THE ART FACILITES



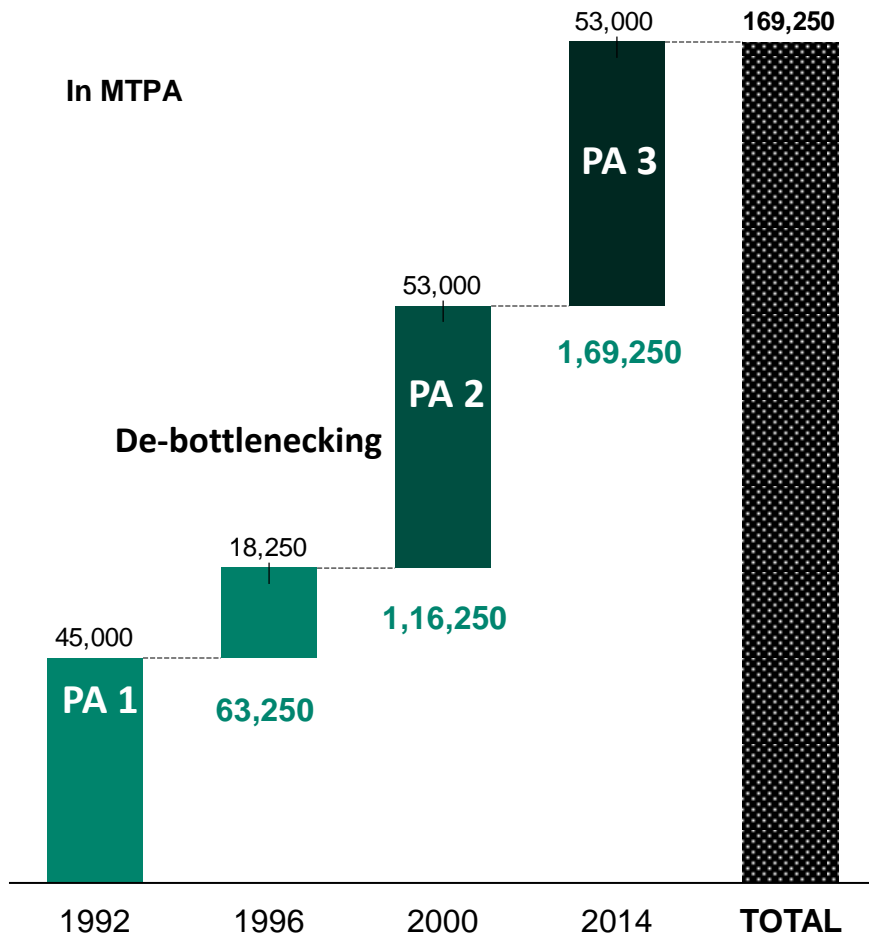
**50 kms. away from
Jawaharlal Nehru Port
Trust (JNPT), Nhava Sheva,
Mumbai, Maharashtra**

**3 reactors at Single
Location Plant - Proximity
to India's Chemical Hub**

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



SCALING UP OF CAPACITY



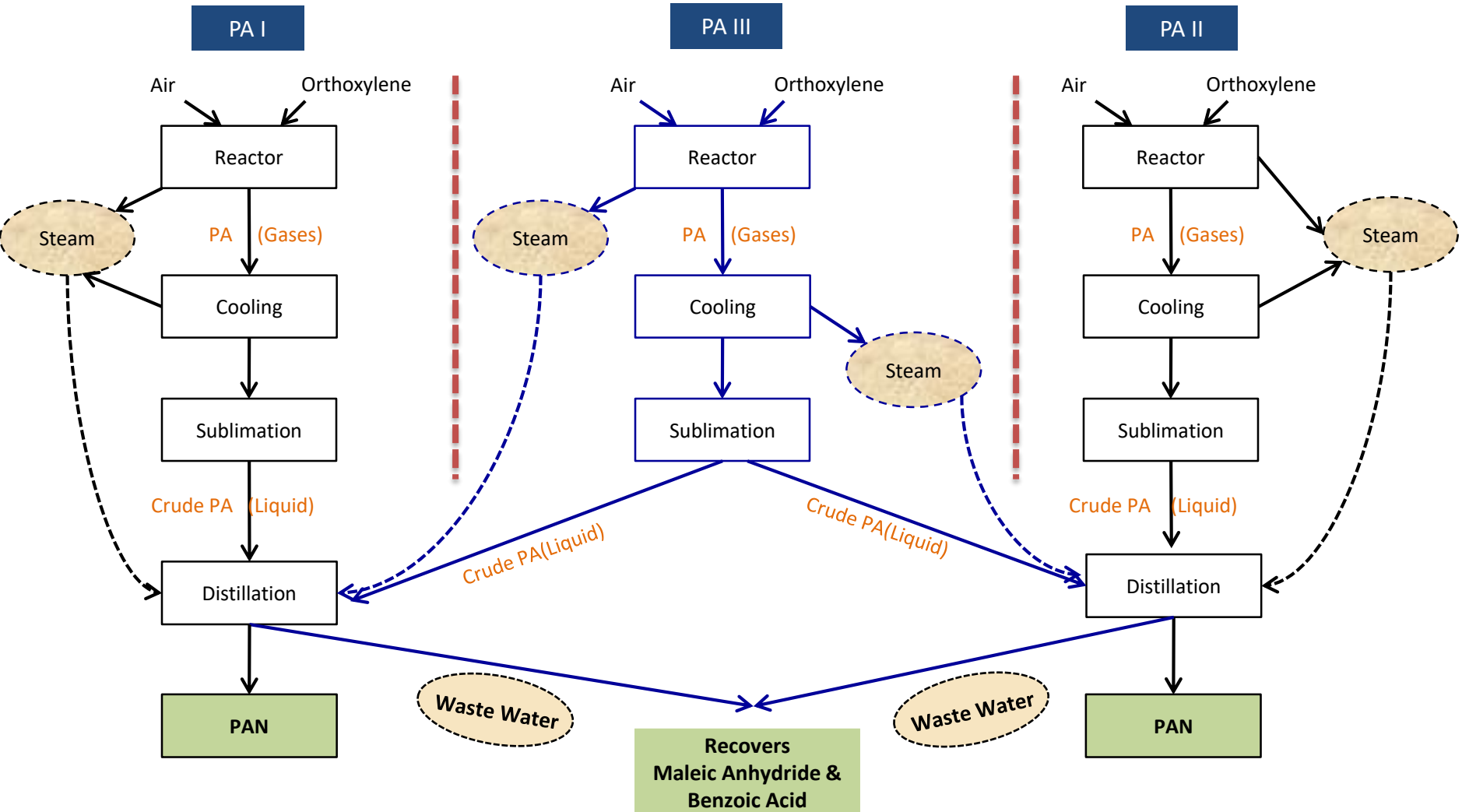
Plants are engineered with **latest internationally acclaimed technological advancement with Lurgi technology** and are designed on the low energy based processes.

Company also undertook **significant process enhancement initiatives** through investment in modern technologies

Steam generated from the production process meets the Company's entire power requirements

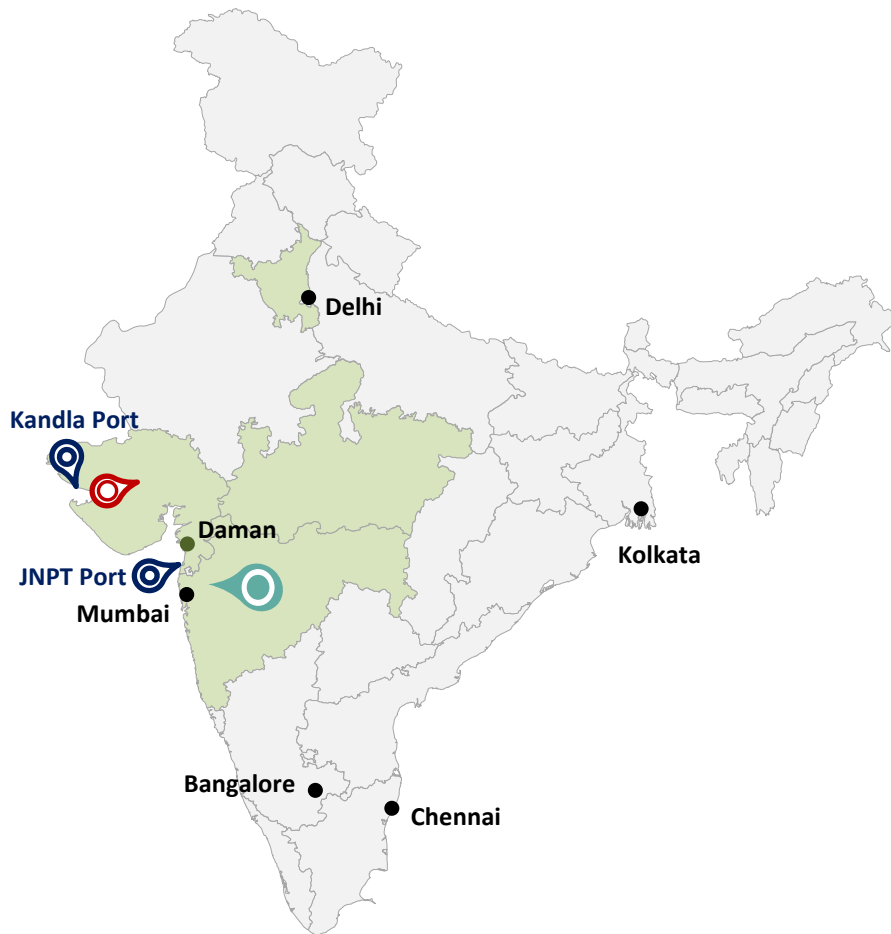
One of the lowest cost producers of PAN in the world

PRODUCTION PROCESS



With a thrust on green initiatives, IGPL operates a zero discharge plant

STRATEGICALLY LOCATED PLANT....



Majority of domestic sales is within Western India



Enjoys the advantage of being in close proximity to ports for exports, chemical belt in western India where majority of downstream industries are located including procurement of Orthoxylene



Inventory lead time - Amongst, the lowest in the industry

50 Kms

Radius within which JNPT and Mumbai ports are located

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

 **RIL – Jamnagar Plant – Supplier of Ox in India**

● **Branch Offices** ● **Depot**

 **Chemical Belt in Western India**

INDUSTRY

Indian Market Size for Maleic Anhydride (MA) is ~45,000 MTPA.

The raw material used is En-Butene (gas derivative) which is not available in India. Therefore MA is completely imported.

USER - APPLICATIONS

Spandex (Elastics)

Unsaturated Polyester Resins (UPR)

Lubricating Oil Additives

Food Industry uses

Personal Care Products

Maleic anhydride is also a precursor to compounds used for water treatment detergents, insecticides and fungicides.

MERGER

Acquisition of Maleic Anhydride (MA) Business from Mysore Petro Chemicals Limited (MPCL)

MA business is acquired by IGPL as a going concern on a Slump Sale basis

Lumpsum consideration of Rs. 74.48 crores payable over 5 years

The effective date of the acquisition was 1st April, 2017

SYNERGY BENEFITS

MPCL is the only manufacturer of MA in India

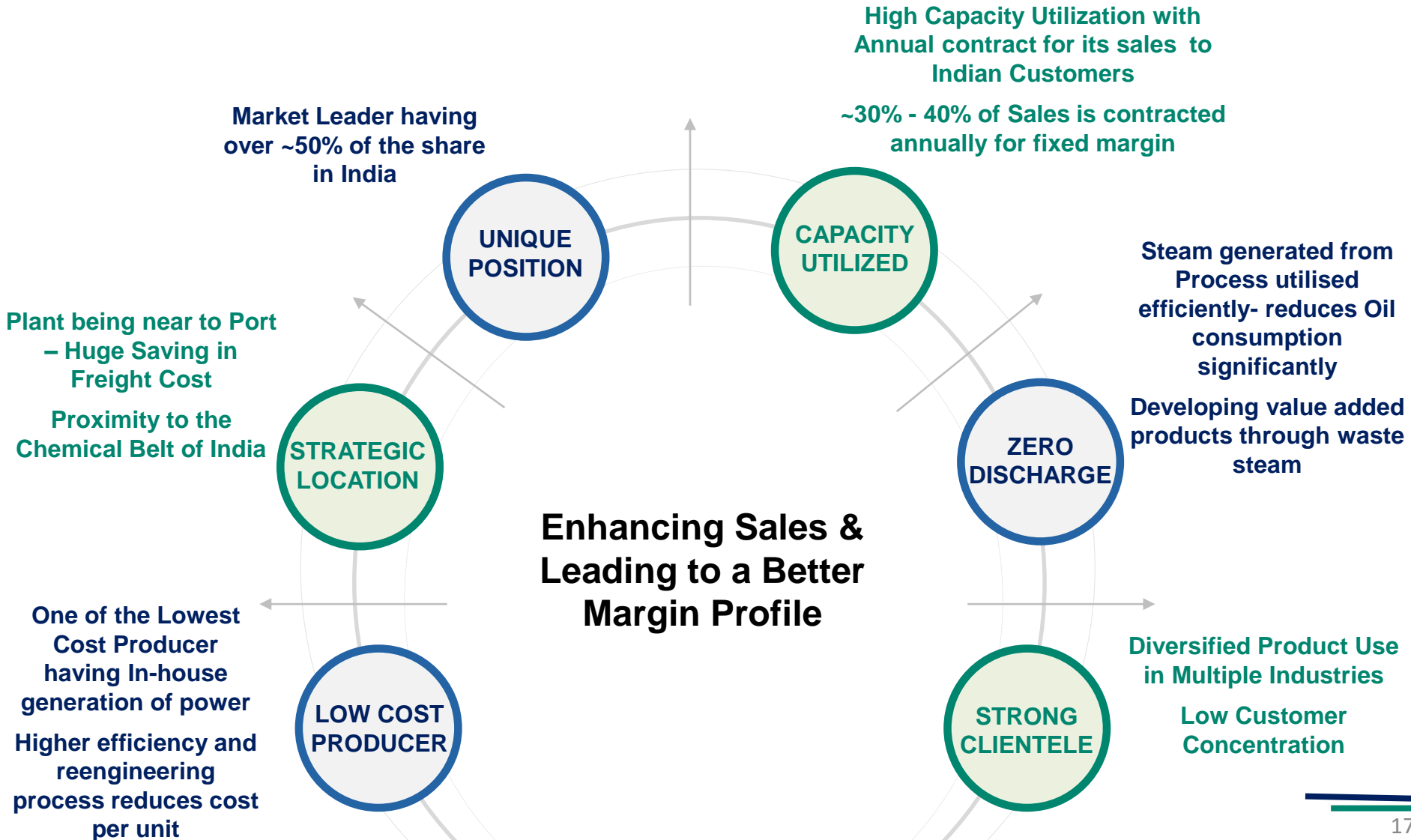
IGPL is the only source of raw material i.e. wash water for MPCL

Both Plants of IGPL and MPCL are at common location in Taloja



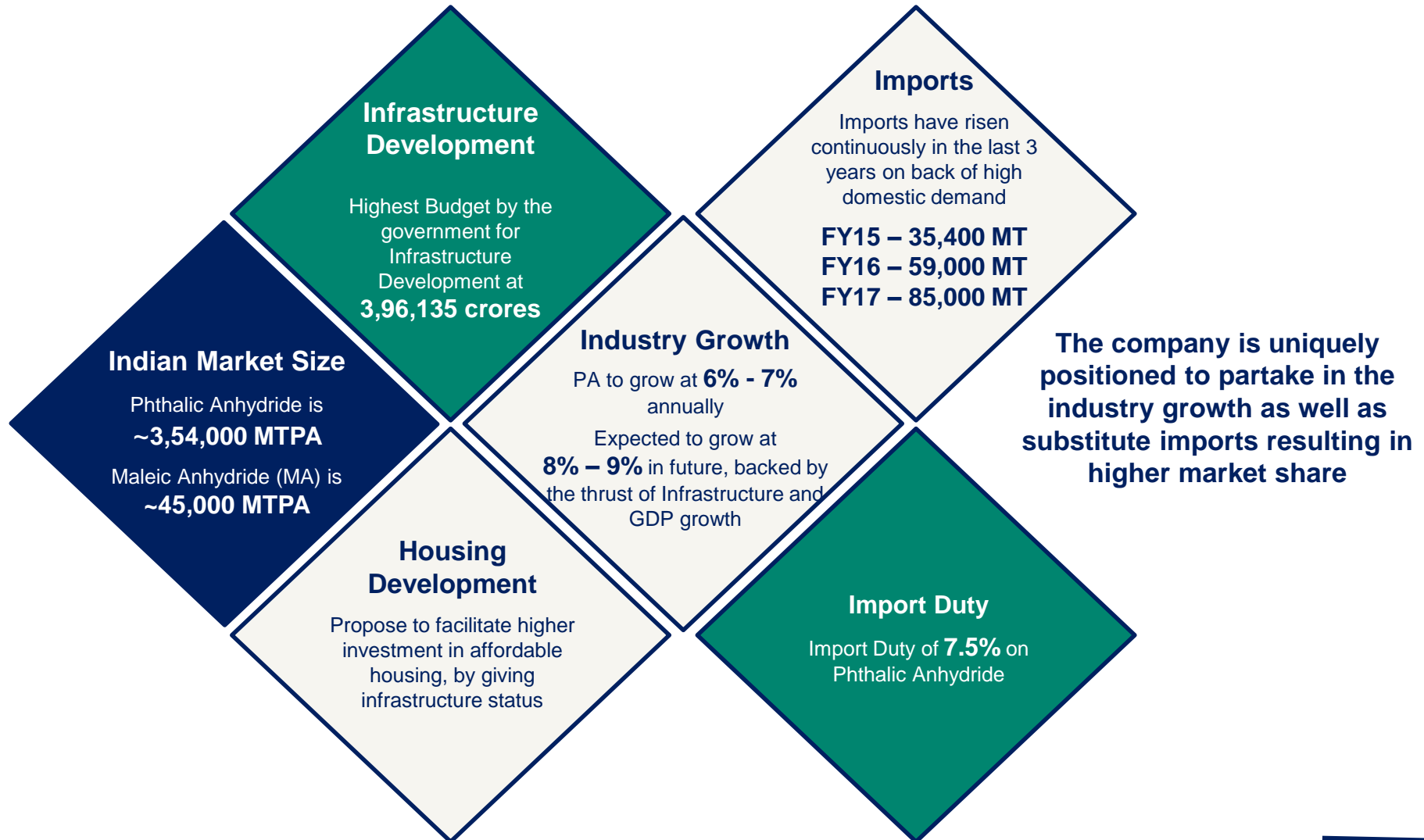
key strengths and strategies

KEY COMPETITIVE STRENGTHS





industry overview



Consumption Pull for Phthalic Anhydride

- 1 Stable Crude Prices**
Better Realizations
- 2 Global Market Improvements**
Well positioned to grab the opportunities
- 3 Better Economic Scenario**
Influence demand for the product in downstream markets
- 4 Infrastructure Thrust**
Strong & Constant domestic demand for the Product
- 5 Increase in Consumption**
Increase fuelled by rising demand for plasticizers, paints etc
- 6 Indian Government Initiatives**
Focus on Rural Water Management – Demand for PVC Pipes
- 7 High Demand in Asia Pacific**
Demand in this region is expected to grow at 6.41% CAGR till FY19

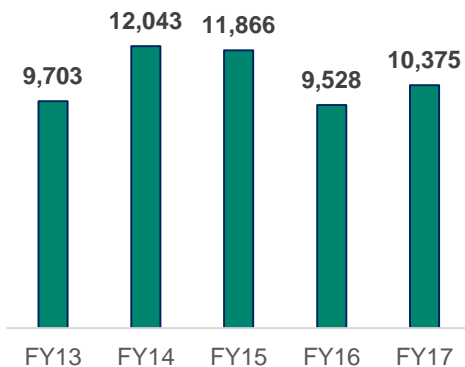


financial overview

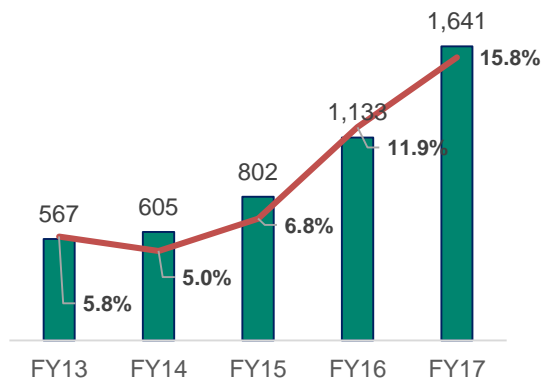
FINANCIAL HIGHLIGHTS



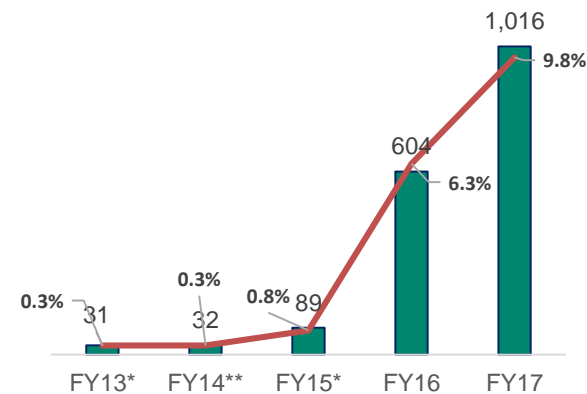
Revenue (Rs. Mn)#



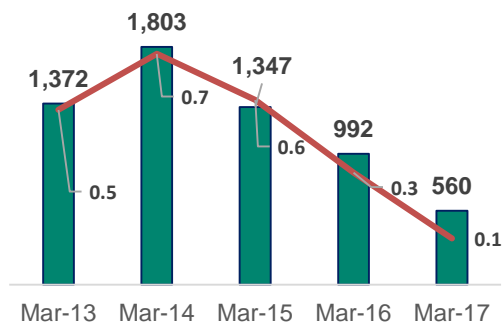
EBITDA (Rs. Mn) and Margin %



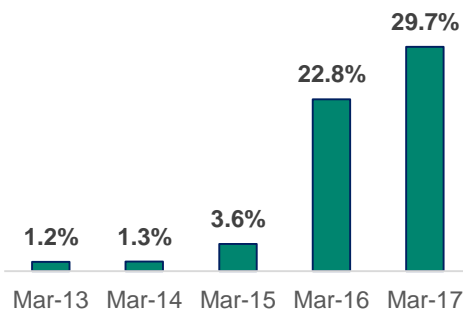
PAT (Rs. Mn) and Margin %



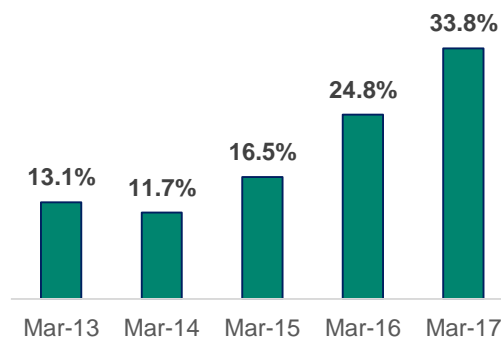
Net Debt (Rs. Million) & Net Debt / Equity



ROE %



ROCE %



Linked to Crude

* Includes Extraordinary Loss of Rs. 276 Mn. in FY13 and Rs. 211 Mn. in FY15 ** Includes Exceptional Expense of Rs. 179 Million

ROE & ROCE have been calculated on the basis of average equity and average capital employed respectively.

BALANCE SHEET



Particulars (Rs. Mn)*	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Share Capital	308	308	308	308	308
Total Reserves	2,272	2,265	2,080	2,610	3,625
Shareholder's Funds	2,580	2,573	2,388	2,918	3,933
Long-Term Borrowings	1,231	1,408	1,078	922	600
Deferred Tax Liabilities	-	-	-	-	386
Long Term Provisions	17	21	16	18	20
Total Non-Current Liabilities	1,248	1,429	1,094	940	1,006
Short Term Borrowings	359	439	226	3	24
Trade Payables	1,839	2,862	1,963	1,542	1,710
Other Current Liabilities	198	339	319	298	283
Short Term Provisions	0	0	51	86	16
Total Current Liabilities	2,396	3,640	2,559	1,929	2,034
Total Liabilities	6,223	7,643	6,041	5,787	6,973
ASSETS					
Fixed Assets	3,433	3,769	3,276	3,266	3,283
Non Current Investments	1	1	1	3	185
Long Term Loans & Advances	47	19	204	214	516
Total Non-Current Assets	3,481	3,789	3,480	3,484	3,984
Inventories	822	1,415	866	896	1,045
Trade Receivables	1,243	1,743	1,452	1,088	1,498
Cash and Bank	346	285	182	169	301
Short Term Loans and Advances	331	411	61	150	146
Total Current Assets	2,742	3,854	2,560	2,303	2,990
Total Assets	6,223	7,643	6,041	5,787	6,973

* Standalone

PROFIT & LOSS STATEMENT



Particulars (Rs. Mn)*	FY13	FY14	FY15	FY16	FY17
Total Revenue	9,703	12,043	11,866	9,528	10,375
Raw Material Consumed	8,237	10,484	10,012	7,341	7,512
Employee Cost	244	251	285	298	397
Other Expenses	655	703	767	756	825
EBITDA	567	605	802	1,133	1,641
EBITDA Margin (%)	5.8%	5.0%	6.8%	11.9%	15.8%
Other Income	53	97	67	36	28
Depreciation	138	180	164	175	172
EBIT	482	522	705	993	1,497
EBIT Margin (%)	5.0%	4.3%	5.9%	10.4%	14.4%
Interest	167	304	381	227	180
Profit Before Taxation & Exceptional and Extraordinary Items	315	219	324	766	1,317
Exceptional Income / Expenses	-	-179	-	-	-
Profit Before Taxation & Extraordinary Items	315	40	324	766	1,317
Extraordinary item	276	-	211	-	-
Profit Before Tax	39	40	113	766	1,317
Provision for Tax	8	8	24	163	301
Profit After Tax	31	32	89	604	1,016
PAT Margin (%)	0.3%	0.3%	0.8%	6.3%	9.8%
EPS (Before extraordinary item)	1.00	1.02	9.74	19.60	32.98

* Standalone

PROFIT & LOSS STATEMENT – Q4 FY17



Particulars (Rs. Mn)*	Q4 FY17	Q4 FY16	Y-o-Y	Q3 FY17	Q-o-Q	FY17	FY16	Y-o-Y
Net Sales	2,876	2,134		2,364		10,316	9,476	
Other Operating Income	16	10		13		58	52	
Revenue from Operations	2,893	2,144	35%	2,377	22%	10,375	9,528	9%
Total Raw Material	2,079	1,664		1,727		7,512	7,341	
Employee Expenses	140	77		65		397	298	
Other Expenses	217	171		210		825	756	
EBITDA	456	233	96%	376	21%	1,641	1,134	45%
EBITDA Margin (%)	15.8%	10.9%		15.8%		15.8%	11.9%	
Other Income	6	17		7		28	36	
Depreciation	41	46		44		172	175	
EBIT	421	203	107%	339	24%	1,497	994	51%
EBIT Margin (%)	14.5%	9.5%		14.2%		14.4%	10.4%	
Finance Cost	40	51		43		180	227	
Profit before Tax	381	152	151%	295	29%	1,317	767	72%
Tax	100	32		64		301	164	
Profit After Tax	281	120	134%	232	21%	1,016	604	68%
PAT Margin (%)	9.7%	5.6%		9.7%		9.8%	6.3%	
EPS	9.11	3.89		7.52		32.98	19.60	

* Standalone

For further information, please contact

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Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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