I G PETROCHEMICALS LIMITED

SECT/1042

11th November, 2016

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

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose herewith the Investor Presentation of the Company for the 2nd quarter and half year ended 30.09.2016.

Kindly take the same on your record.

Thanking you.

Yours faithfully,
For **I G Petrochemicals Limited**

Sudhir R. Singh

Sudhir R Singh
Company Secretary

Encl : as above

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IG Petrochemicals Ltd

Investor Presentation – Q2 & H1 FY17

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Acquisition of Maleic Anhydride Business

Acquisition details

- Acquisition of Maleic Anhydride (MA) Business

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
- Common location

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

Transaction

- MA business is proposed to be acquired by IGPL as a going concern on a 'Slump Sale basis".
- Lumpsum consideration of Rs. 74.48 crores payable over 5 years.

Valuation

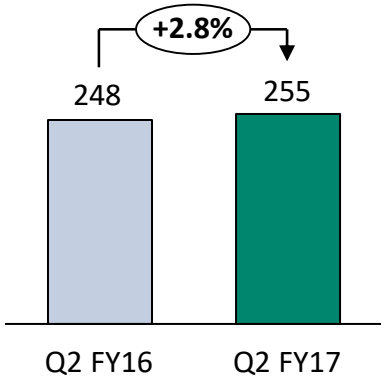
- The purchase transaction is being done on an arms' length basis pursuant to the Valuation Report submitted by M/s Haribhakti & Co. LLP

The effective date of the proposed acquisition is 1st April, 2017, subject to approval from shareholders of both the companies.

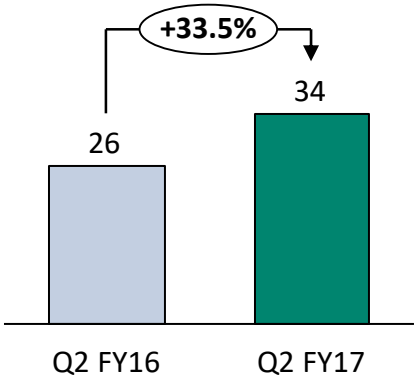
Q2 FY17 Performance Highlights

Rs. In Cr

Revenues



EBITDA



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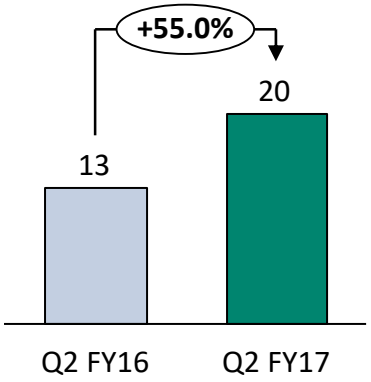
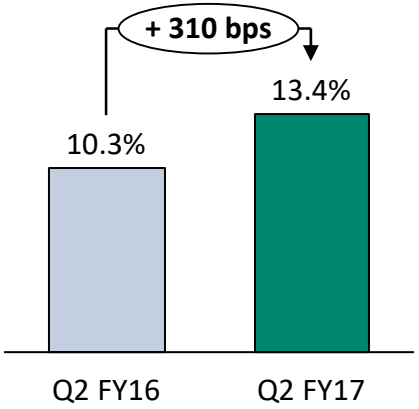
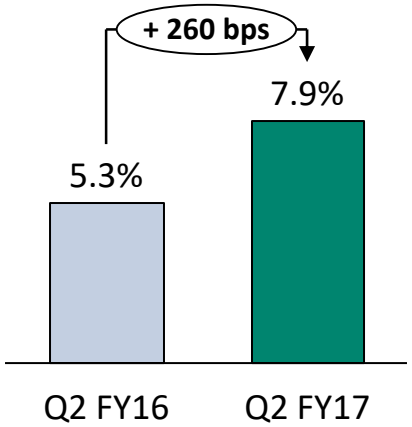


EBITDA (%)



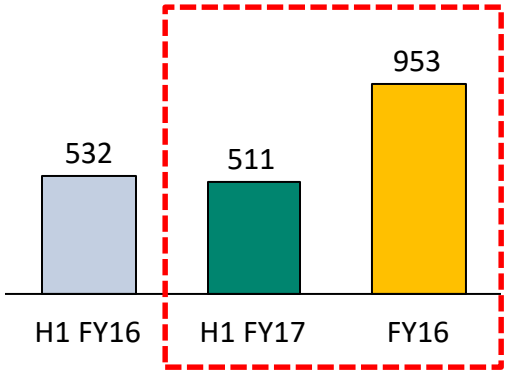
PAT (%)



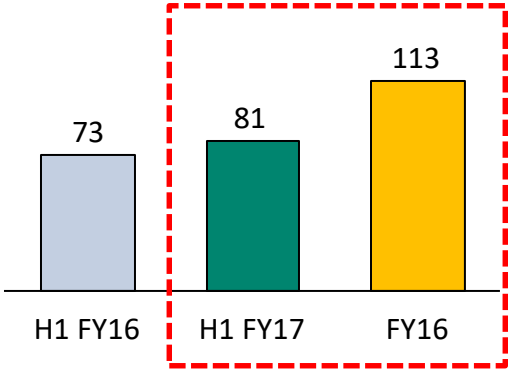
H1 FY17 Performance Highlights

Rs. In Cr

Revenues



EBITDA



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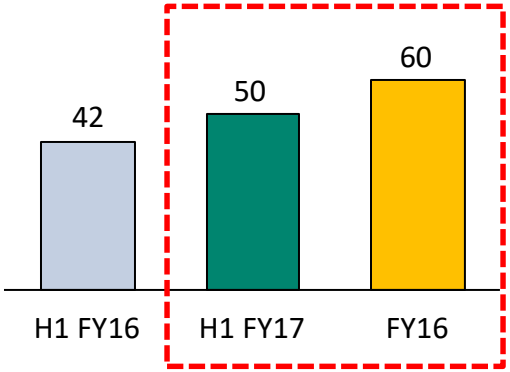
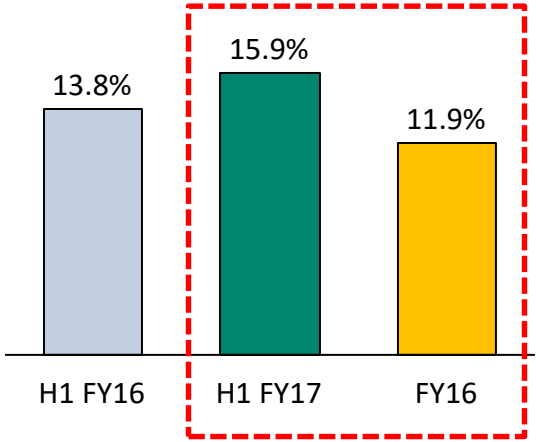
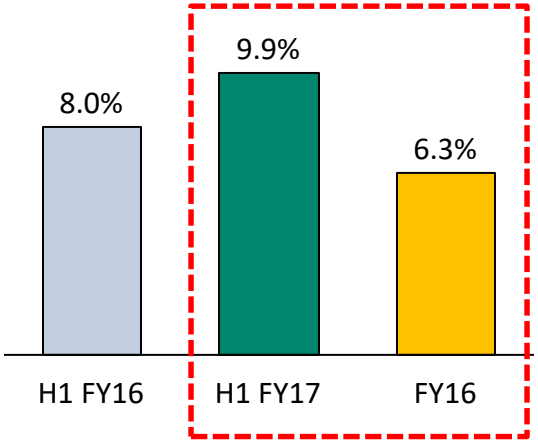


EBITDA (%)



PAT (%)



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

- ✓ Chemical Engineer from BITS, Pilani with 40 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. Nikunj Dhanuka: Managing Director & CEO

- ✓ Over two decades of experience in the industry, instrumental in restructuring the business activities and in charge of the overall affairs 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. & A/c)

- ✓ 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

Phthalic Anhydride

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

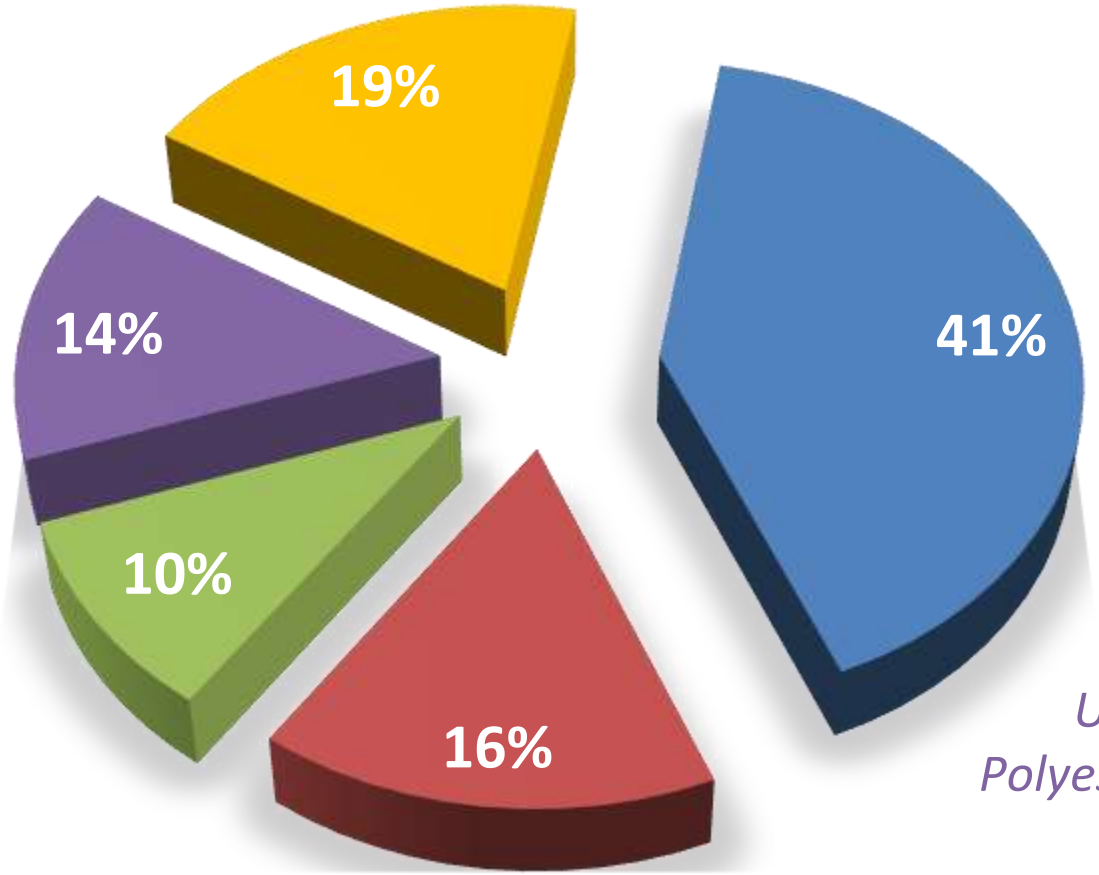
PA is a versatile intermediate in organic chemistry

PA is used as an intermediate for the production of Plasticizers, Unsaturated Polyster 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

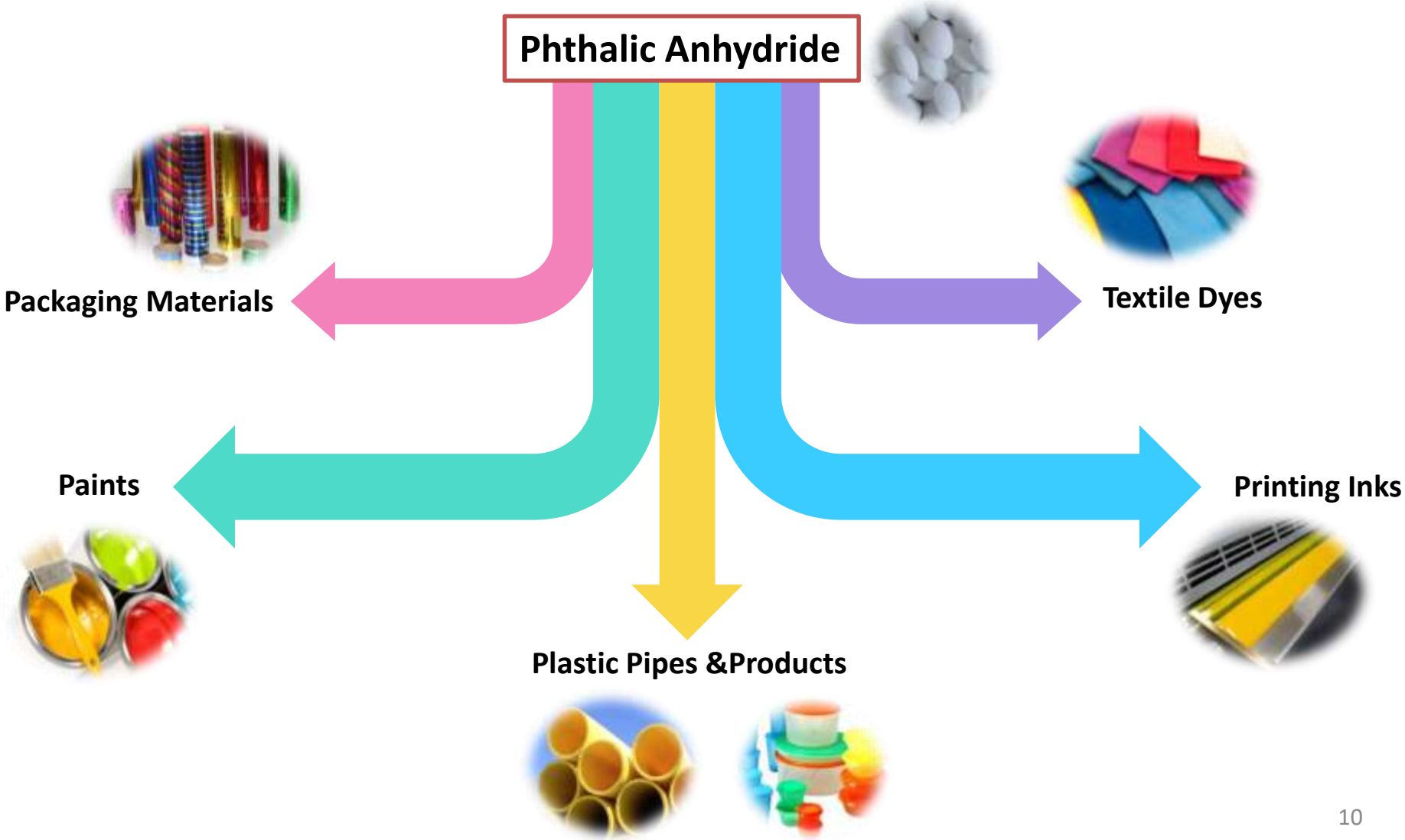
Paints

CPC (Color Pigments)

Unsaturated Polyester Resin (UPR)

Others

Phthalic Anhydride (PA) : Varied Applications



Manufacturing Facilities

3 units at Single Location

Proximity to India's Chemical Hub

Located at MIDC, Taloja in Raigad District, Maharashtra

50 kms. away from Jawaharlal Nehru Port Trust (JNPT), Nhavasheva, Mumbai, Maharashtra

Key Customers

Consumption Pull for Phthalic Anhydride…

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

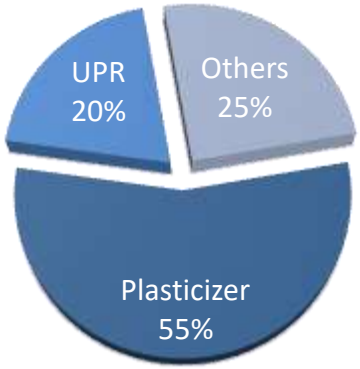
04 **Infrastructure Thrust -**
Strong & Constant domestic demand for the Product

05 **Increase in Consumption -**
Increase fuelled by rising demand for plasticizers, paints etc

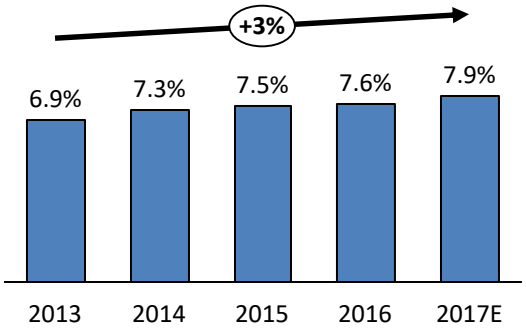
06 **Indian Government Initiatives -**
Focus on Rural Water Management – Demand for PVC Pipes

Consumption Pull for Phthalic Anhydride…

Global PA Consumption - ~5.5mn tones



India's GDP Growth Rate (%)



Source: World Bank

- Asia-Pacific consumption is ~ + 50%
- Demand in this region is expected to grow at 6.41% CAGR till 2019
- India is 3rd Largest consumer of Plasticizer expected to be fastest growing market

Indian PA industry is expected to grow at ~7% - ~8% annually

- 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

Lowest Cost Producer

- In-house generation of power
- Higher efficiency and reengineering process reduces cost per unit

Strategic Plant Location

- Near to Port – Huge Saving in Freight Cost
- Proximity to the Chemical Belt of India

Strong Clientele across industries

- Diversified Product Use in Multiple Industries
- Low Customer Concentration

Consistent high capacity utilization

- Annual contract for its sales to Indian Customers
- ~30% - 40% of Sales is contracted annually for fixed margin

Better Recovery Processes

- Steam generated from Process utilised efficiently- reduces Oil consumption significantly
- Developing value added products through waste stream

Enhancing Sales & Leading to a Better Margin Profile

Profit & Loss Statement

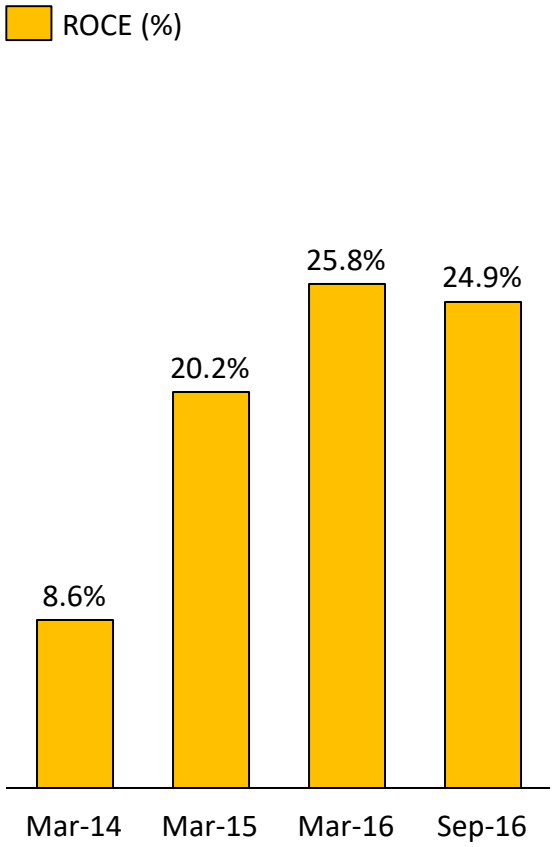
Particulars (Rs. In Crs)	Q2 FY17	Q2 FY16	Y-o-Y	H1 FY17	H1 FY16	Y-o-Y	FY16
Revenue from Operations	253.74	246.44		507.63	528.79		947.60
Other operating Income	1.24	1.55		2.89	3.13		5.24
Total Revenue	**254.98**	**247.99**	**3%**	**510.52**	**531.92**	**-4%**	**952.84**
Cost of Material Consumed	180.78	197.93		364.10	417.28		750.55
Changes in Inventories	12.29	(2.70)		6.52	(14.40)		(16.47)
Total Raw Materials	**193.08**	**195.23**		**370.62**	**402.88**		**734.08**
Employee Expenses	9.61	7.23		19.20	14.51		29.76
Other Expenses	18.11	19.92		39.79	41.23		75.64
EBITDA	**34.19**	**25.61**	**33%**	**80.90**	**73.30**	**10%**	**113.36**
EBITDA %	***13.41%***	***10.33%***		***15.85%***	***13.78%***		***11.90%***
Other Income	0.61	0.76		1.47	1.54		3.57
Depreciation	4.35	4.36		8.61	8.60		17.54
EBIT	**30.45**	**22.01**	**38%**	**73.76**	**66.24**	**11%**	**99.39**
EBIT (%)	***11.94%***	***8.88%***		***14.45%***	***12.45%***		***10.43%***
Finance Cost	4.70	5.40		9.76	12.39		22.67
Profit before Tax	**25.75**	**16.61**	**55%**	**64.00**	**53.84**	**19%**	**76.72**
Tax	5.50	3.54		13.66	11.49		16.35
Profit after Tax	**20.26**	**13.07**	**55%**	**50.34**	**42.35**	**19%**	**60.36**
PAT %	***7.94%***	***5.27%***		***9.86%***	***7.96%***		***6.34%***
EPS	**6.58**	**4.24**		**16.34**	**13.75**		**19.60**

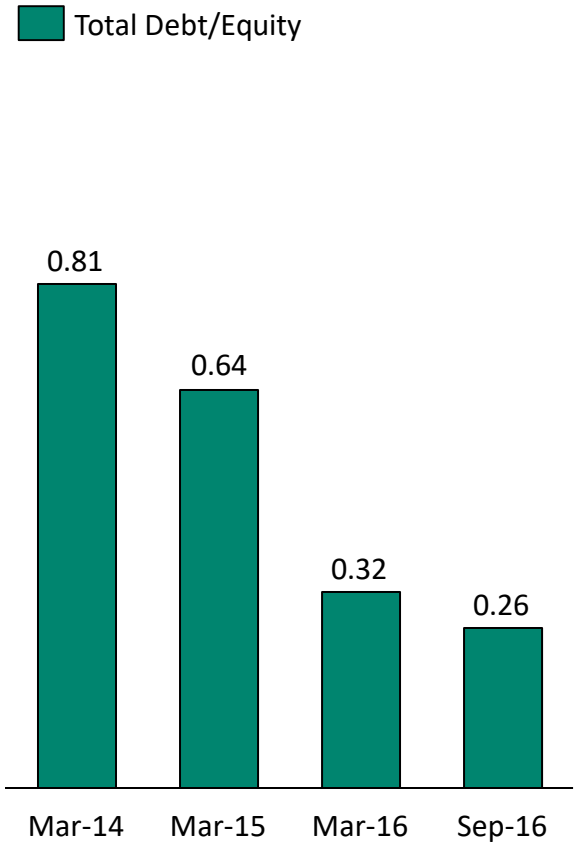
Balance Sheet

Particulars (Rs. Crs)	Sep-16	Mar-16
Shareholder's Fund	**342.10**	**291.76**
Share capital	30.80	30.80
Reserves & Surplus	311.30	260.96
Non-current liabilities	**80.87**	**94.00**
Long term borrowings	79.05	92.18
Long term Provision	1.82	1.82
Current liabilities	**170.29**	**192.90**
Short term borrowings	9.01	0.31
Trade payables	119.13	154.25
Other current liabilities	35.72	29.76
Short term Provision	6.43	8.58
Total Liabilities	**593.26**	**578.66**

Particulars (Rs. Crs)	Sep-16	Mar-16
Non-current assets	**350.47**	**348.37**
Tangible Assets	313.51	322.19
Intangible Assets	0.03	0.04
Capital Work in Progress	9.40	4.41
Non-Current Investments	4.36	0.33
Long Term Loans & Advances	23.17	21.40
Current assets	**242.79**	**230.29**
Inventories	73.07	89.56
Trade receivables	143.84	108.81
Cash and bank balances	12.17	16.88
Short Term Loan & Advances	13.71	15.04
Total Assets	**593.26**	**578.66**

Improved Performance – Ratios





For further information, please contact

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