I G PETROCHEMICALS LIMITED

SECT/1042

17.08.2016

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 Sirs,

Investor Presentation

We enclose herewith the Investor Presentation of the Company for the first quarter ended 30.06.2016

Kindly take the same on record.

Thanking you,

Yours faithfully,
for **I G PETROCHEMICALS LIMITED**

R Chandrasekaran
Chief Financial Officer

Encl : as above

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IG Petrochemicals Ltd

Investor Presentation – Q1FY17

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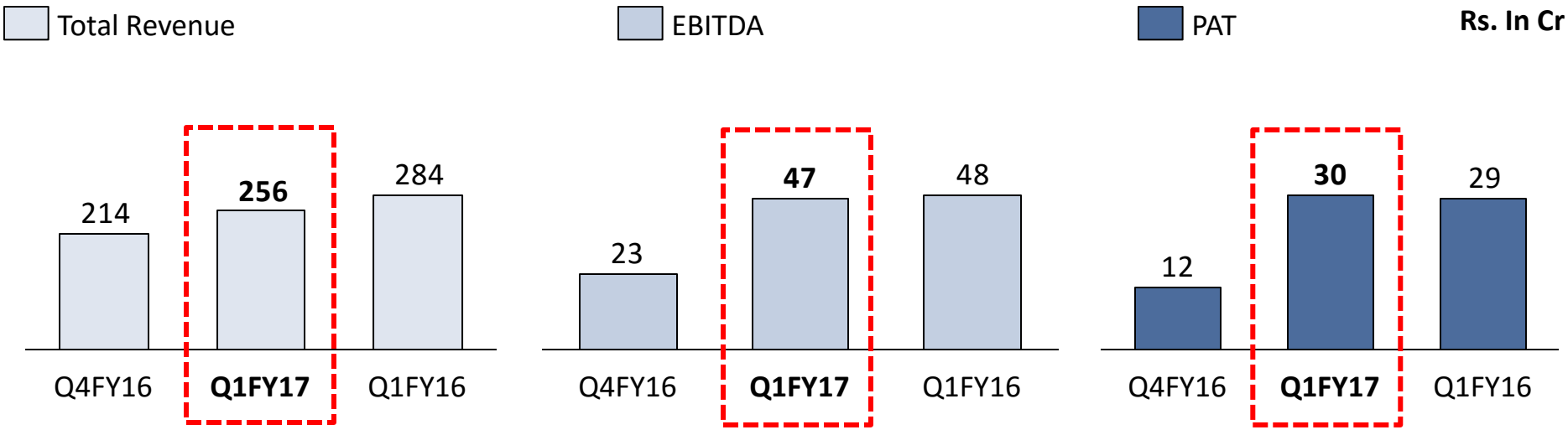
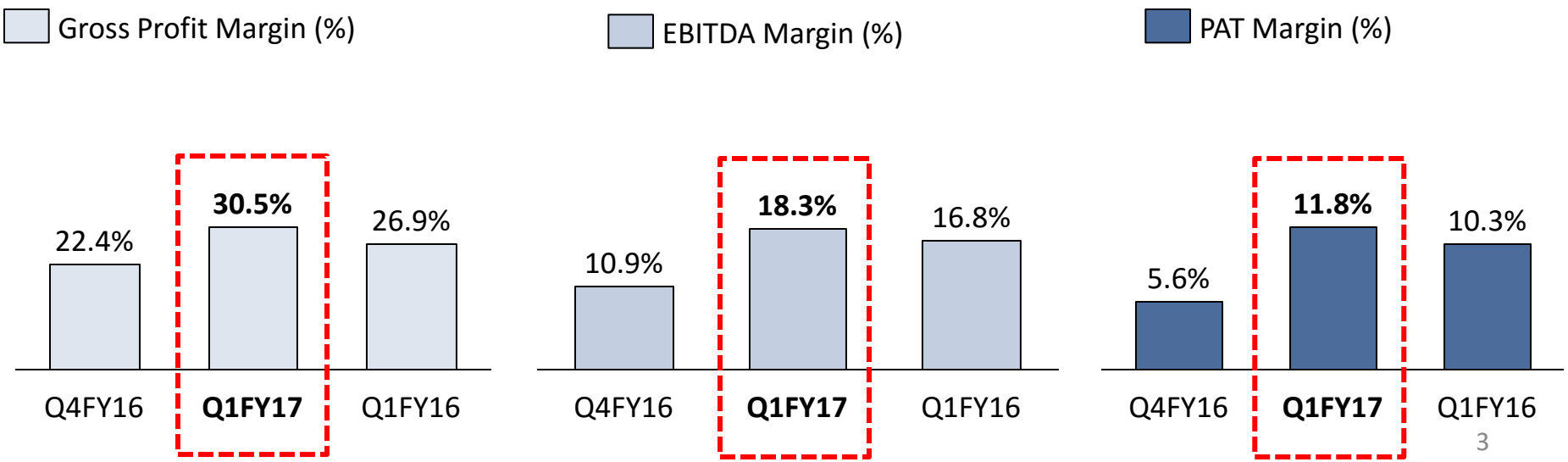
Performance Highlights

Rs. In Cr





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 35 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

- ✓ Commerce Graduate with Management course from UK
- ✓ 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 30 years of experience
- ✓ Currently in charge of the all activities at Taloja and is associated with the Company since 1992

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. 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. 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

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

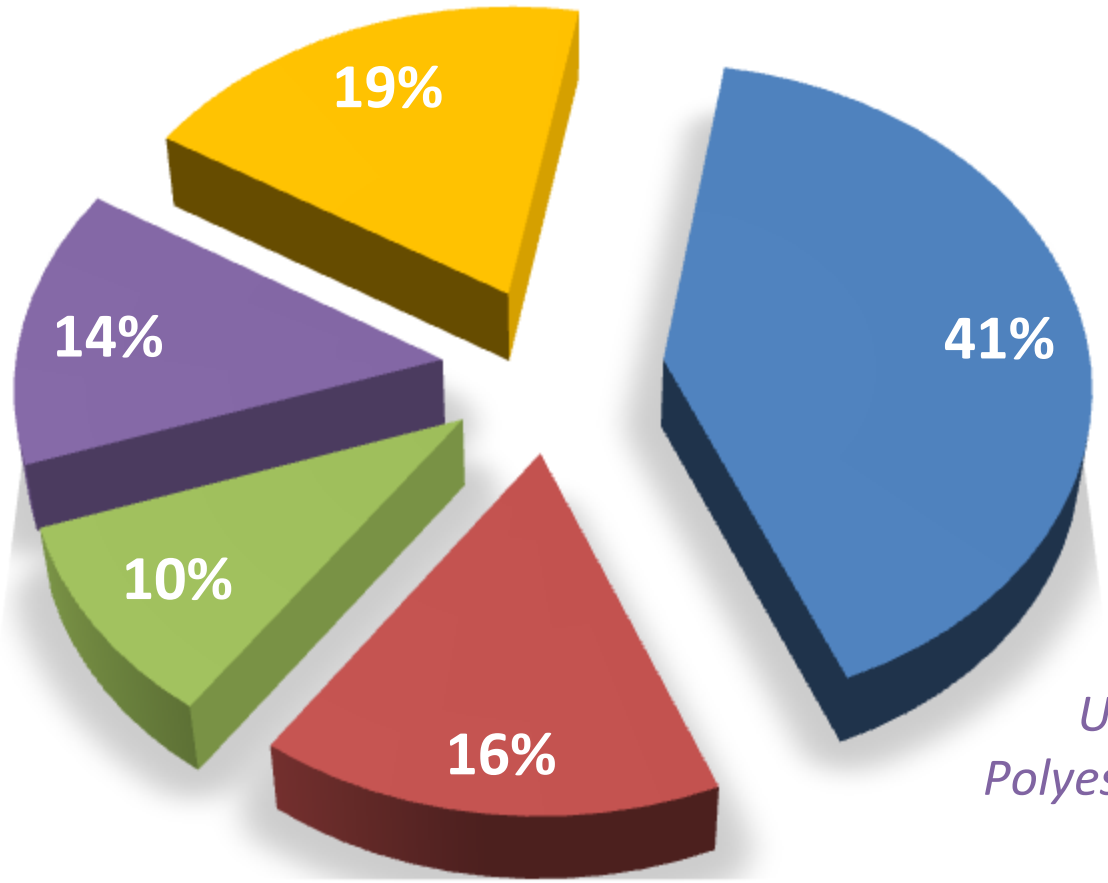
PA is a versatile intermediate in organic chemistry

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

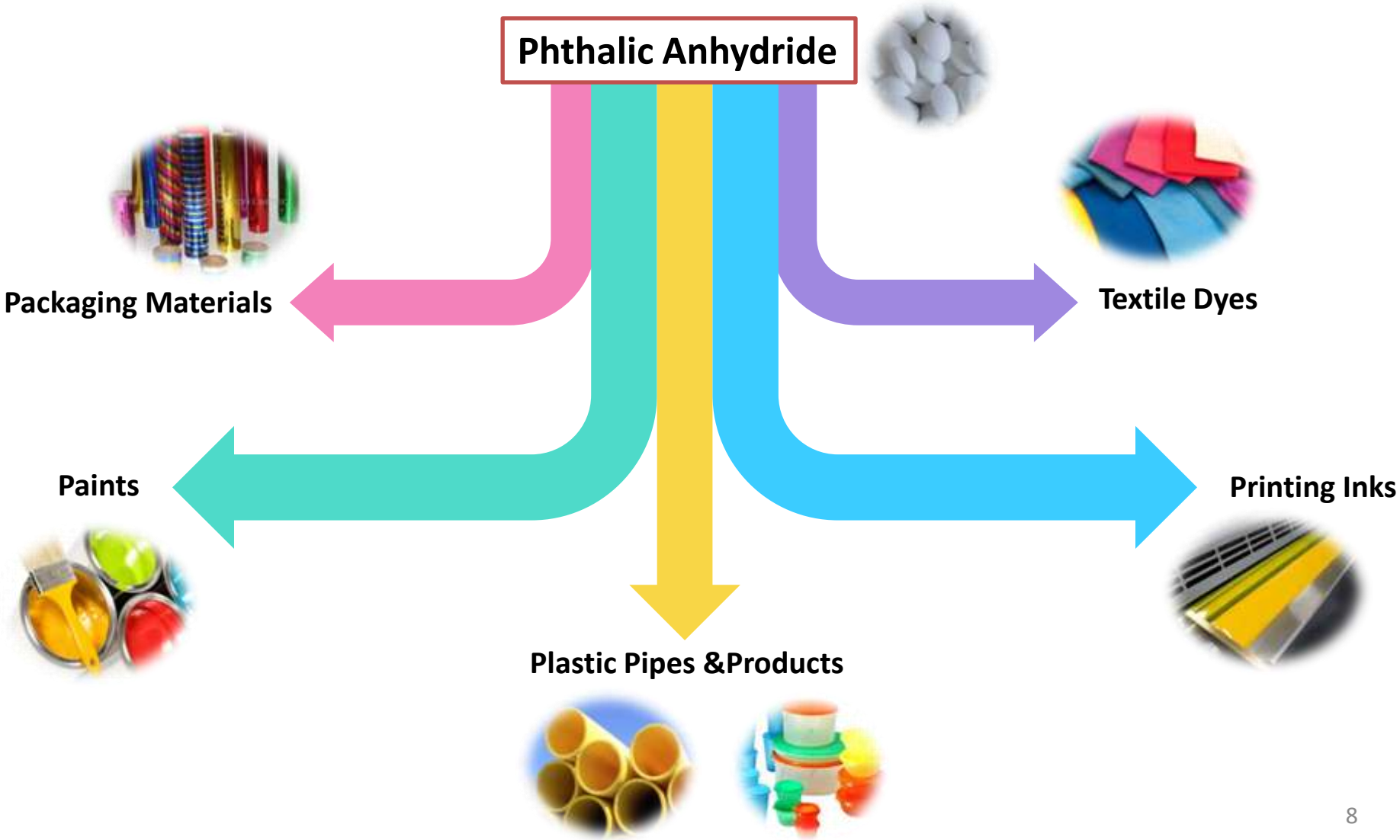
Paints

CPC (Color Pigments)

Unsaturated Polyester Resin (UPR)

Others

Phthalic Anhydride (PA) : Varied Applications



Manufacturing Capacity

Total Capacity
1,69,250 MTA

53,000 MTPA (PA 3)

Brownfield expansion

50,000 MTPA (PA2)

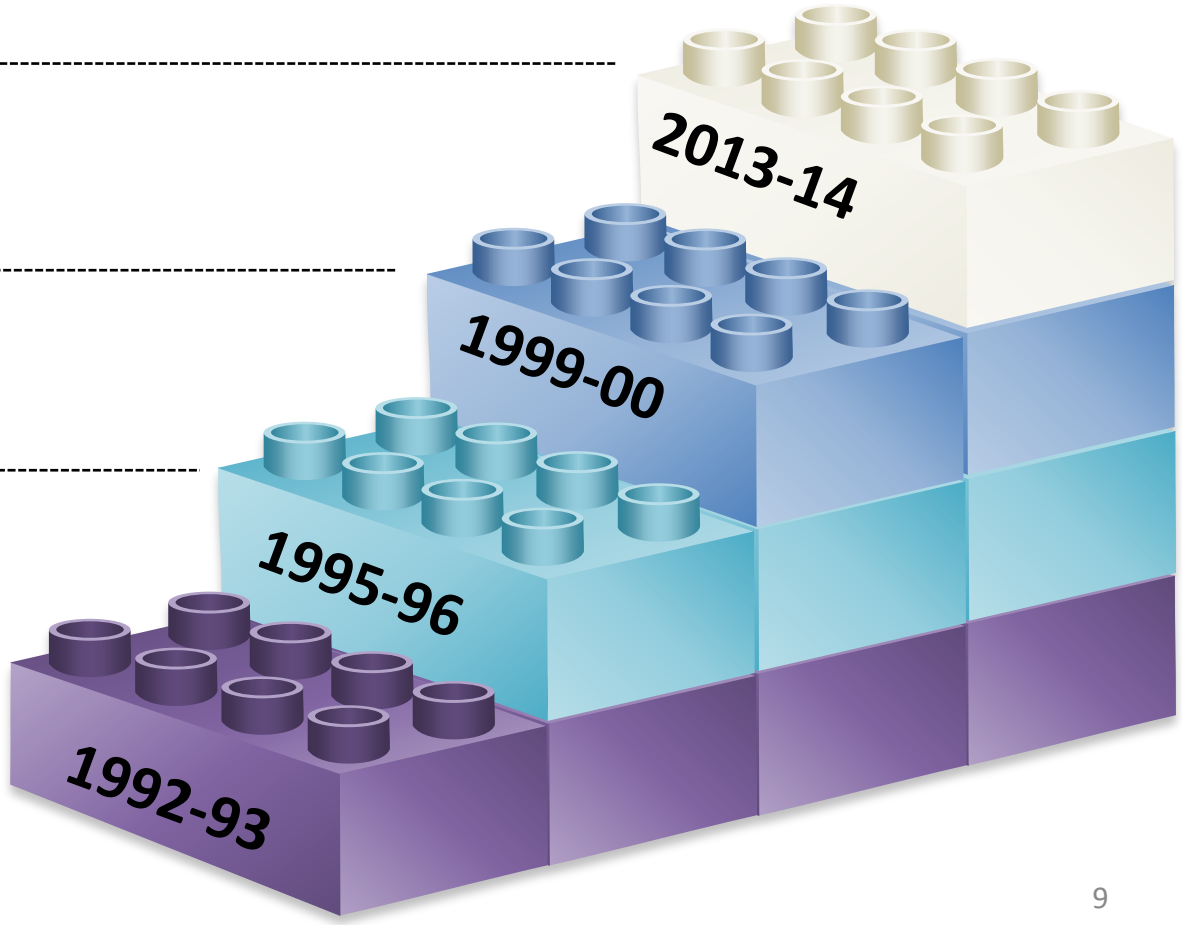
Brownfield expansion

21,250 MTPA

De-bottlenecking

45,000 MTPA (PA1)

Initial Production Capacity



Manufacturing Facilities

3 units at Single Location

Proximity to India's Chemical Hub

Located at MIDC, Taloja in Raigad District, Maharashtra

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

Key Customers

AARTI INDUSTRIES LIMITED

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

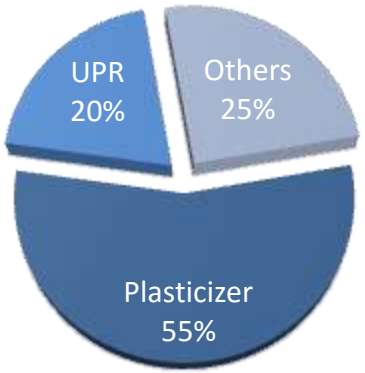
04 **Infrastructure Thrust -**
Strong & Constant domestic demand for the Product

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

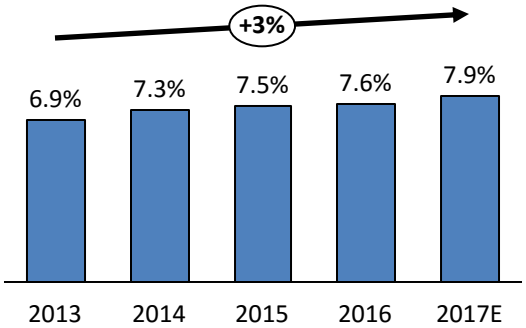
Consumption Pull for Phthalic Anhydride

Global PA Consumption - ~5.5mn tones



- 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

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

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

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

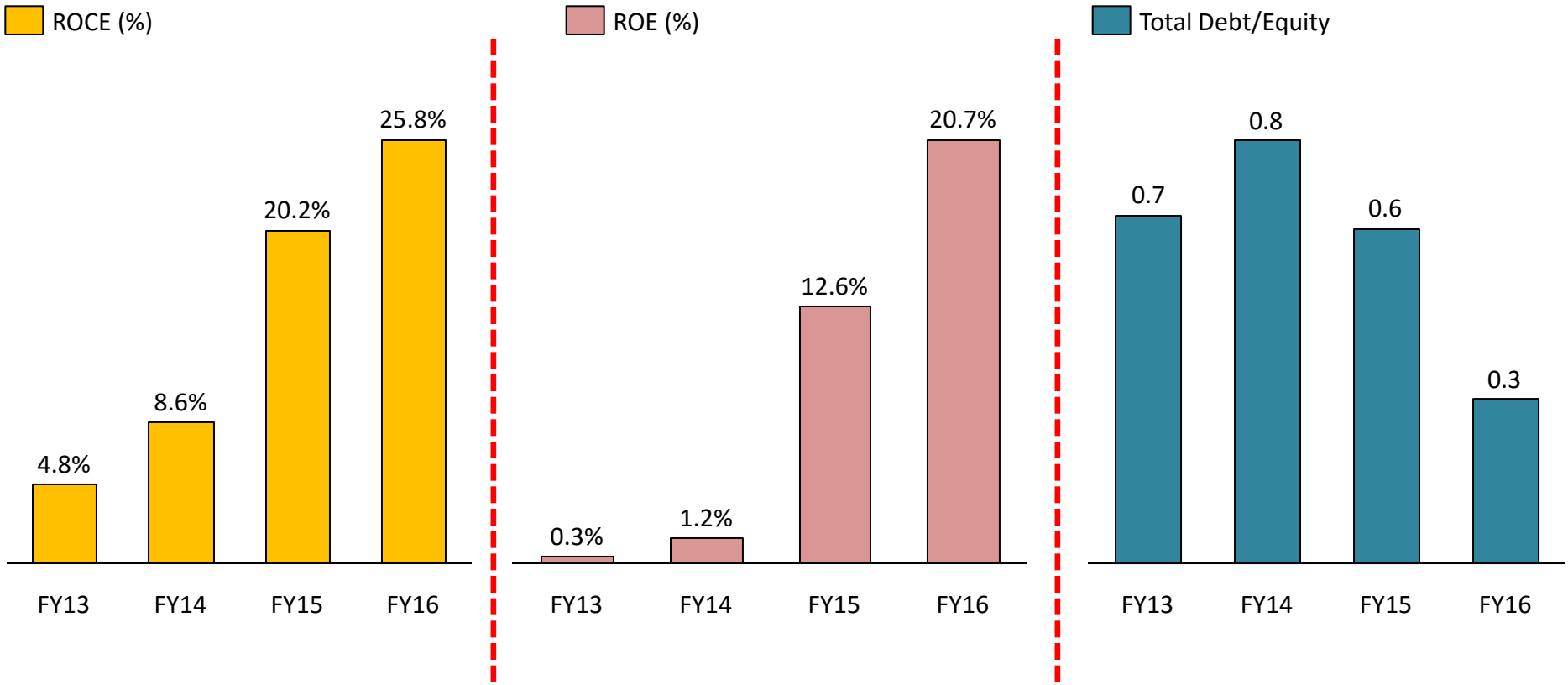
Particulars (Rs. In Crs)	Q1FY17	Q1FY16	Y-o-Y	Q4FY16	Q-o-Q
Revenue from Operations	253.88	282.35		213.37	
Other operating Income	1.65	1.58		1.00	
Total Revenue	**255.53**	**283.93**	**-10%**	**214.37**	**19%**
Cost of Material Consumed	183.31	219.36		164.10	
Changes in Inventories	-5.77	-11.70		2.28	
Employee Expenses	9.60	7.28		7.65	
Other Expenses	21.68	21.31		17.08	
EBITDA	**46.71**	**47.69**	**-2%**	**23.27**	**101%**
EBITDA %	**18.3%**	**16.8%**		**10.9%**	
Other Income	0.85	0.78		1.67	
Depreciation	4.25	4.24		4.63	
EBIT	**43.31**	**44.23**	**-2%**	**20.31**	**113%**
EBIT (%)	**16.9%**	**15.6%**		**9.5%**	
Finance Cost	5.06	6.99		5.10	
Extra ordinary Items	0.00	0.00		0.00	
Profit before Tax	**38.24**	**37.23**	**3%**	**15.21**	**151%**
Tax	8.16	7.95		3.22	
Profit after Tax	**30.08**	**29.29**	**3%**	**11.98**	**151%**
PAT %	**11.8%**	**10.3%**		**5.6%**	

Balance Sheet

Particulars (Rs. In Crs)	Mar-16	Mar-15
Share Capital	30.8	30.8
Total Reserves	261.0	208.0
Shareholder's Funds	**291.8**	**238.8**
Long-Term Borrowings	92.2	107.8
Long Term Provisions	1.8	1.5
Total Non-Current Liabilities	**94.0**	**109.4**
Short Term Borrowings	0.3	22.6
Trade Payables	154.2	196.3
Other Current Liabilities	29.8	31.9
Short Term Provisions	8.6	5.1
Total Current Liabilities	**192.9**	**255.9**
Total Liabilities	**578.7**	**604.1**

Particulars (Rs. In Crs)	Mar-16	Mar-15
Fixed Assets	**322.2**	**326.8**
Tangible Assets	322.2	326.7
Intangible	0.0	0.0
Capital Work in Progress	4.4	0.8
Non Current Investments	0.3	0.1
Long Term Loans & Advances	21.4	20.4
Total Non-Current Assets	**348.4**	**348.0**
Inventories	89.6	86.6
Sundry Debtors	108.8	145.2
Cash and Bank	16.9	18.2
Short Term Loans and Advances	15.0	6.1
Total Current Assets	**230.3**	**256.0**
Total Assets	**578.7**	**604.1**

Improved Performance – Ratios



Recommended Dividend of ***Rs. 2 per Equity share (i.e.20% of Face Value)*** during FY15 - 16

For further information, please contact

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