

IGPL I G PETROCHEMICALS LIMITED

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8th December, 2014

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

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

Dear Sir,

Investor Presentation

We enclose herewith the Investor Presentation of the Company. Kindly take the same on your records.

Yours faithfully,
For I G Petrochemicals Limited



R Chandrasekaran
Chief Financial Officer
& Secretary

Encl : as above



IG PETROCHEMICALS LIMITED

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Corporate Overview



Business Overview



Numero Uno Indian manufacturer of
Phthalic Anhydride (PAN)

One of the largest
PAN manufacturer in the world

Lowest Cost producer of Phthalic Anhydride
(PAN) globally

Technical collaboration with **Lurgi GmGH, Germany**

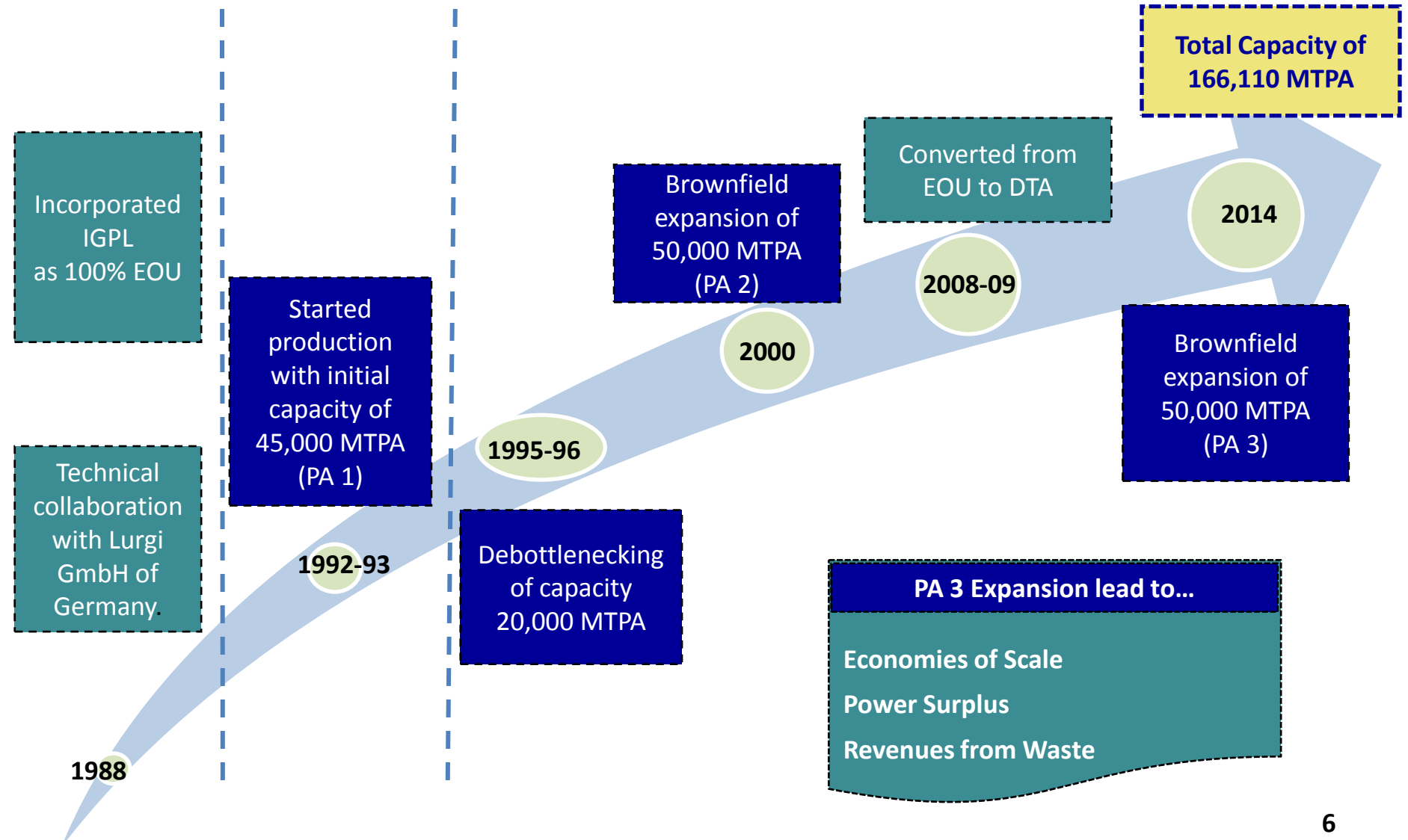
Flagship company of **Dhanuka Group**

Performance with **Singular Objective**
of Excellence

Self sufficiency achieved in
Power/Steam generated by plant

Higher capacity utilization with continued
Consumption Pull for Phthalic Anhydride

IG Petro – Focus on Growth



Focused Management Team

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

- 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 & Secretary

- 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.



Product- Usage & Market



PAN : Key End User Industries



- PAN is an intermediate and versatile industrial chemical
- Properties of being flexible makes it a unique product with no substitute
- Primarily used as chemical intermediate for Plasticizers in Poly Vinyl Chloride which is used in manufacture of diverse consumer and industrial products
- 2nd most important raw material in paint manufacturing in terms of Volume

Cables



Pipes



Shoes



Packaging materials



Paints



Textile Dyes



Printing inks



Plastic Products



Building Materials



Direct Sales Revenue Breakup



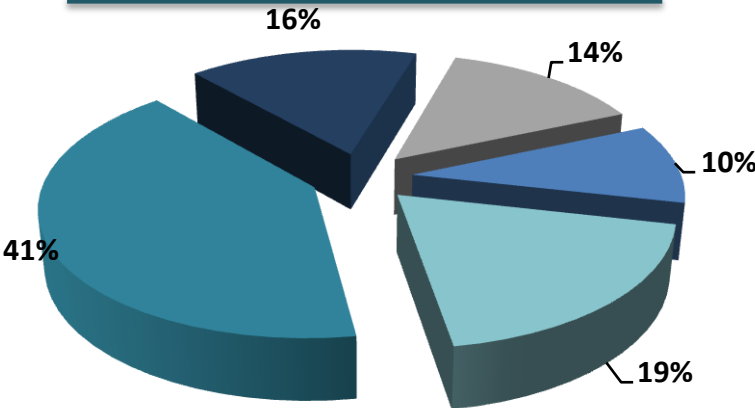
Plasticizers



CPC (Color Pigments)



Direct Sales Revenue (Net) : FY 2014
[Rs. 1,011 Crs]



Paints



Others



Unsat. Polyester Resin (UPR)

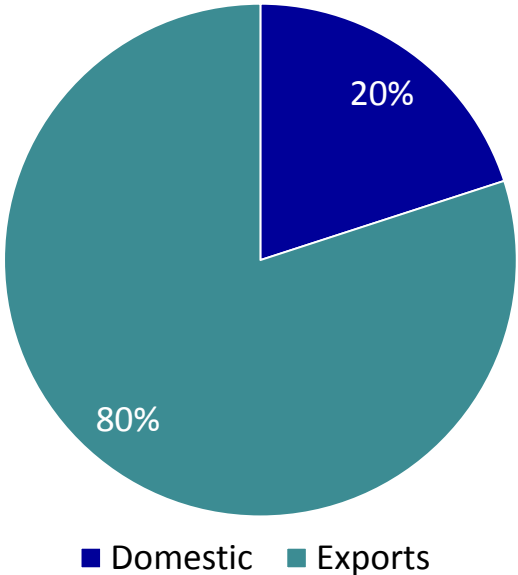


Moderates susceptibility to the dynamics of a single industry

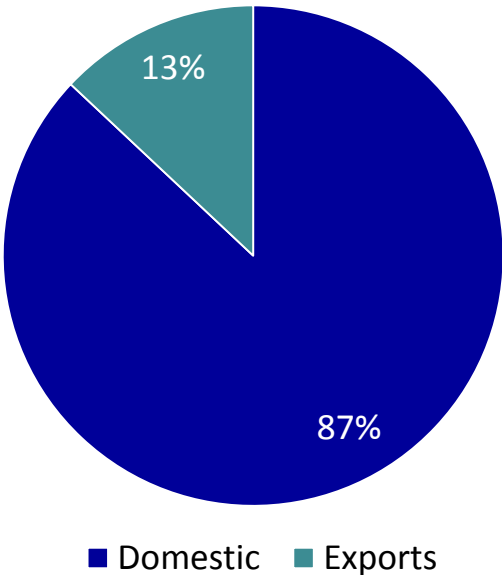
Consumption Pull for Phthalic Anhydride ...



Revenue : FY 2008 - [Rs. 587Crs]



Revenue : FY 2014 - [Rs. 1204Crs]

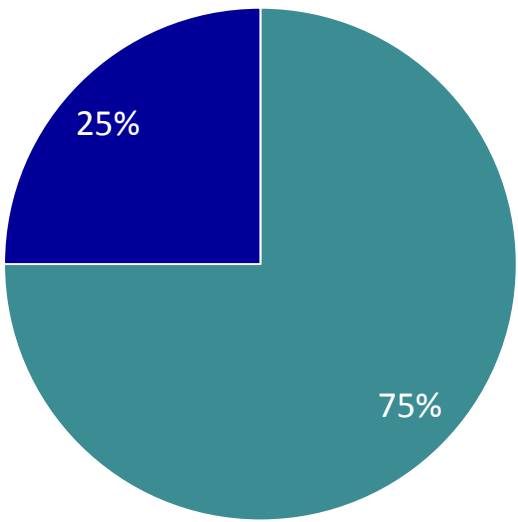


...Driving Growth in Domestic Consumption...

...Enhancing Direct Sales ...

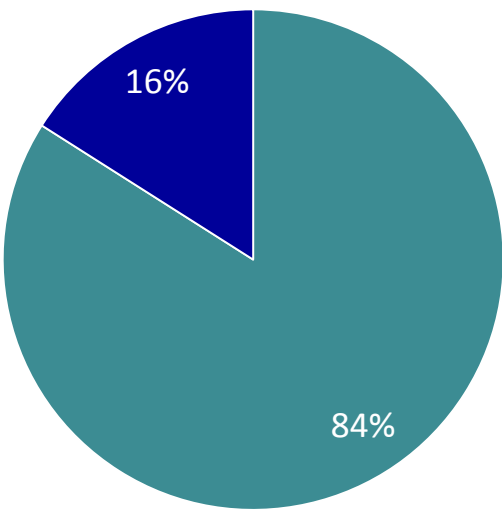


Revenue : FY 2008 - [Rs. 587Crs]



■ Direct Sales ■ Distributors

Revenue : FY 2014 - [Rs. 1204Crs]



■ Direct Sales ■ Distributors

... Leading to a Better Margin Profile



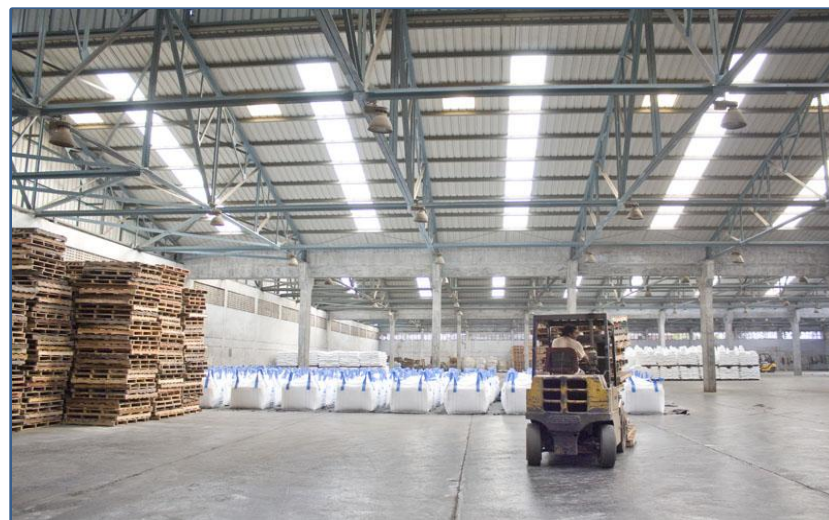
Manufacturing Capabilities



Overview of 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



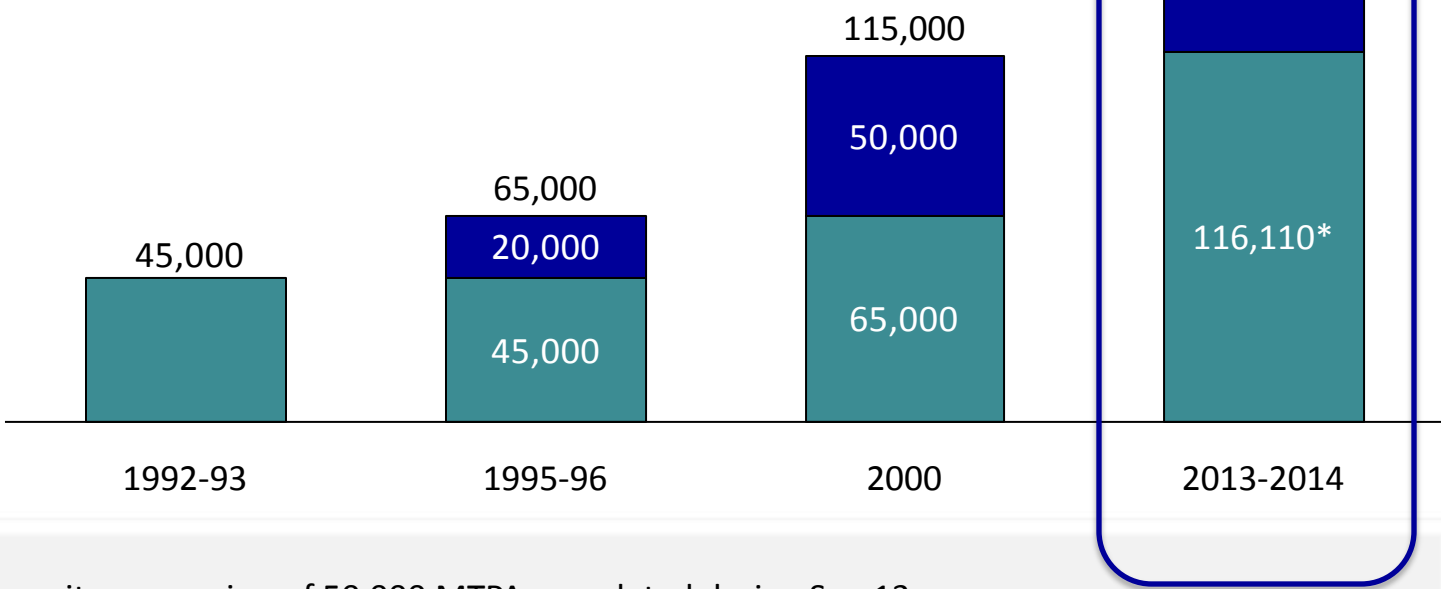
Commissioning of PA 3 (50,000 MT)...



With Commissioning of PA 3 - A game changer / changes the margin profile of IGPL

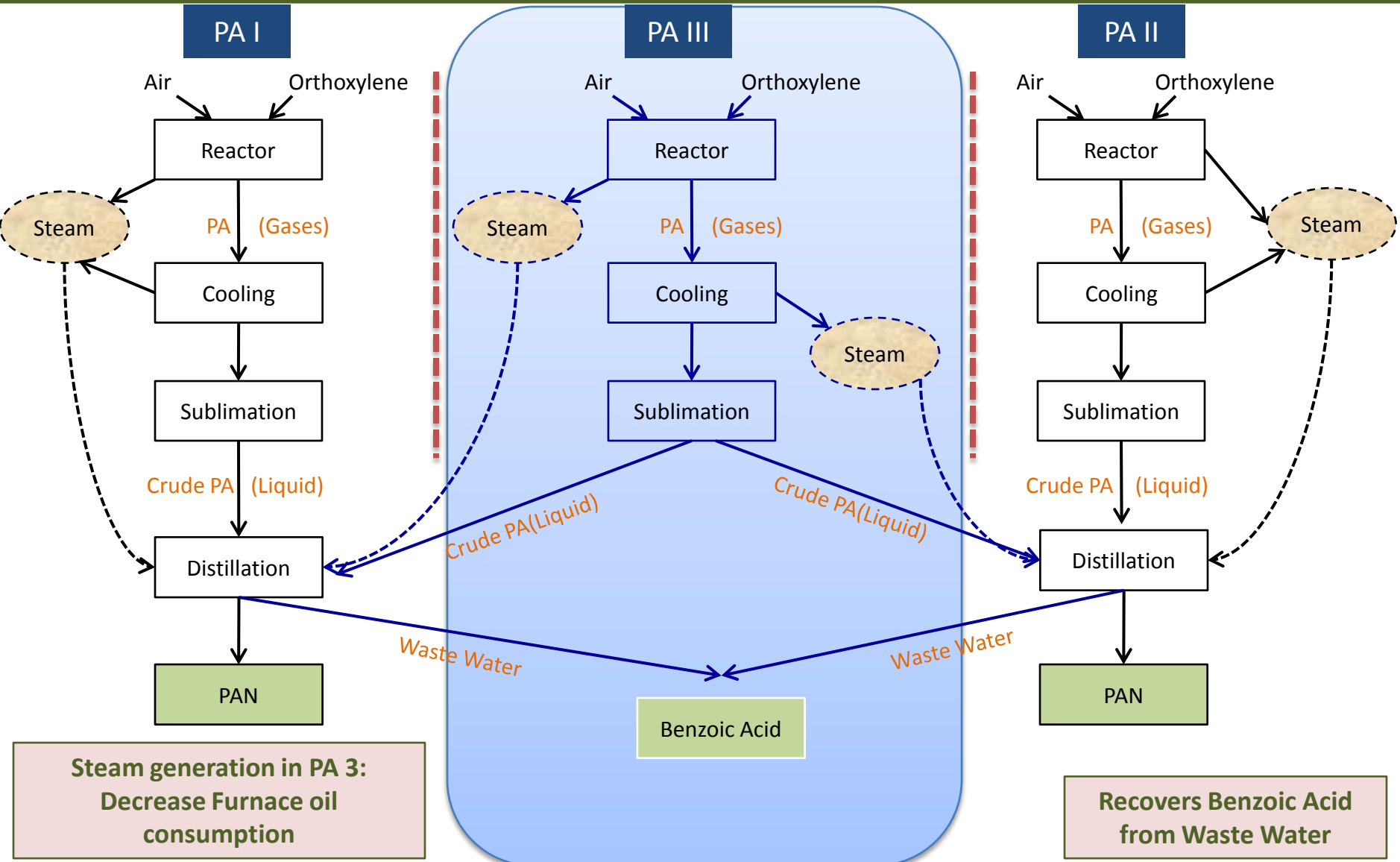
* In 2012, Capacity revised at 116,110 MT

■ Addition ■ Existing

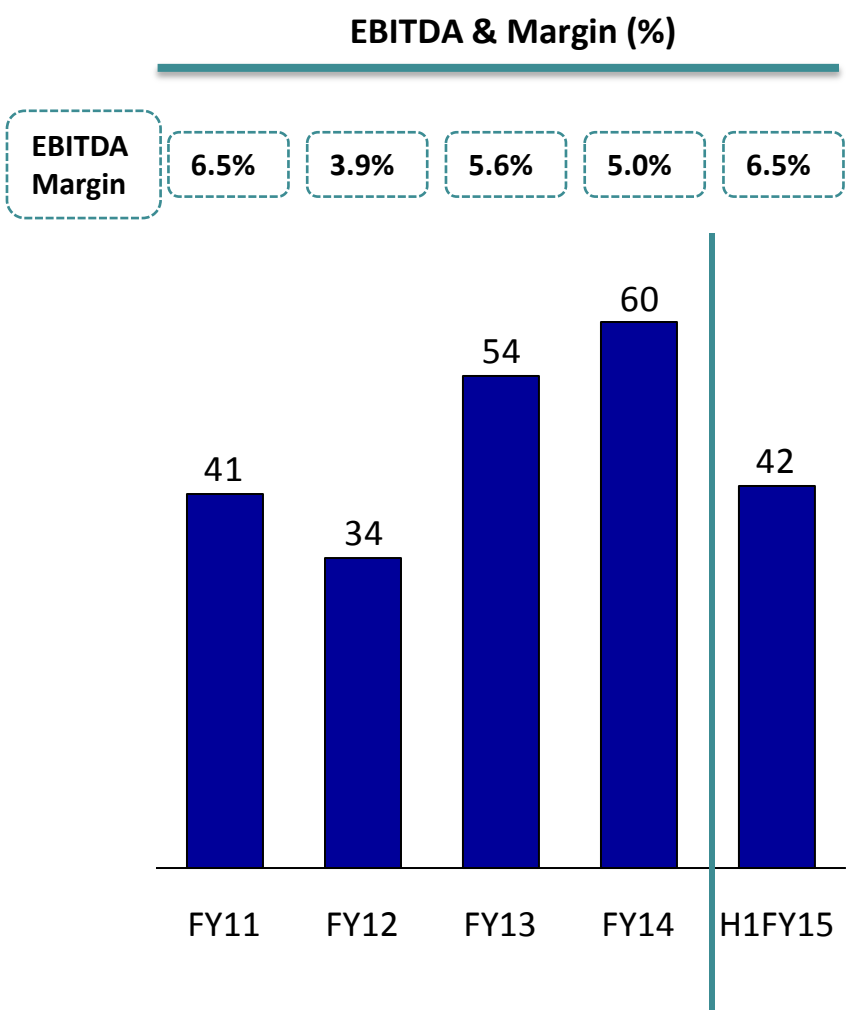
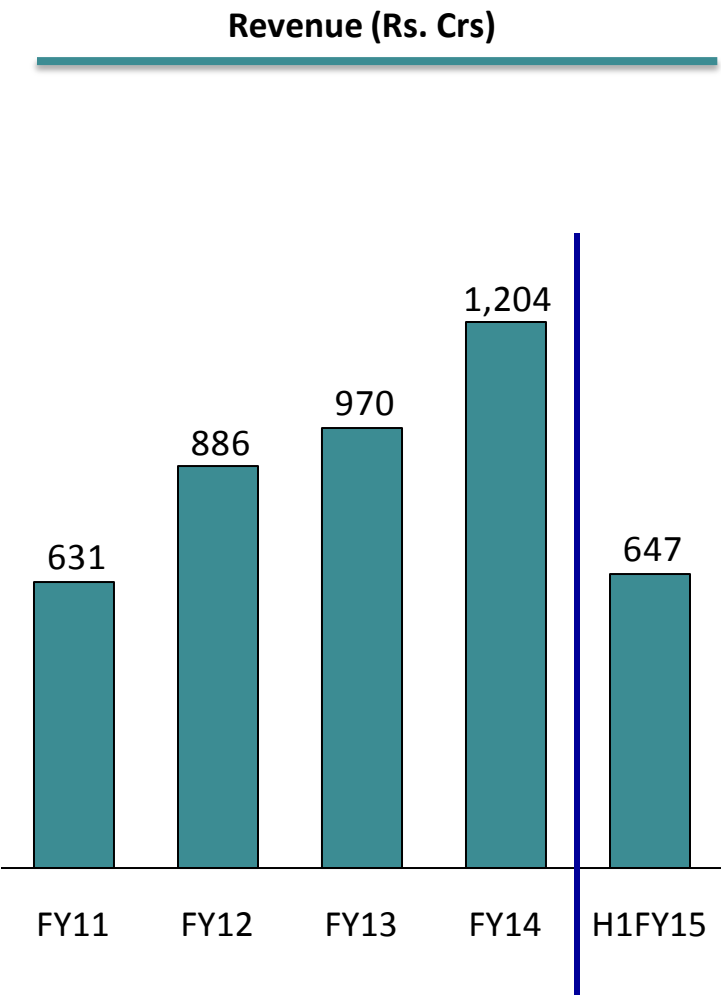


- Capacity expansion of 50,000 MTPA completed during Sep 13
- Expansion brings with it multitude of new benefits and strengthens existing advantages

Production Process....

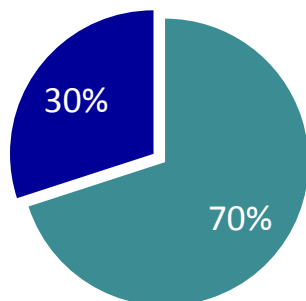


...Improved Margin Profile



Orthoxylene - Key Raw Material

- Orthoxylene (OX) – Single Raw Material
 - 3rd derivative of crude oil
 - Has edge over Naphthalene (Alternate Raw Material to manufacture PAN)
 - Cheaper
 - Better yield by weight
 - Reduced number of by-products
 - Reduced environmental problems
- Sourcing – 30% Imports & 70% from Reliance Industries



- ✓ 70% of Orthoxylene procured from **Reliance Industries Limited (RIL)**
- ✓ Long term relationship with RIL provides an **Uninterrupted Product Flow**
- ✓ Short Lead time for sourcing from RIL plant - **Just in Time Inventory Management**
- ✓ **Lower Foreign Exchange Exposure** with major procurement from Domestic Market



Key Strategic Advantages



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

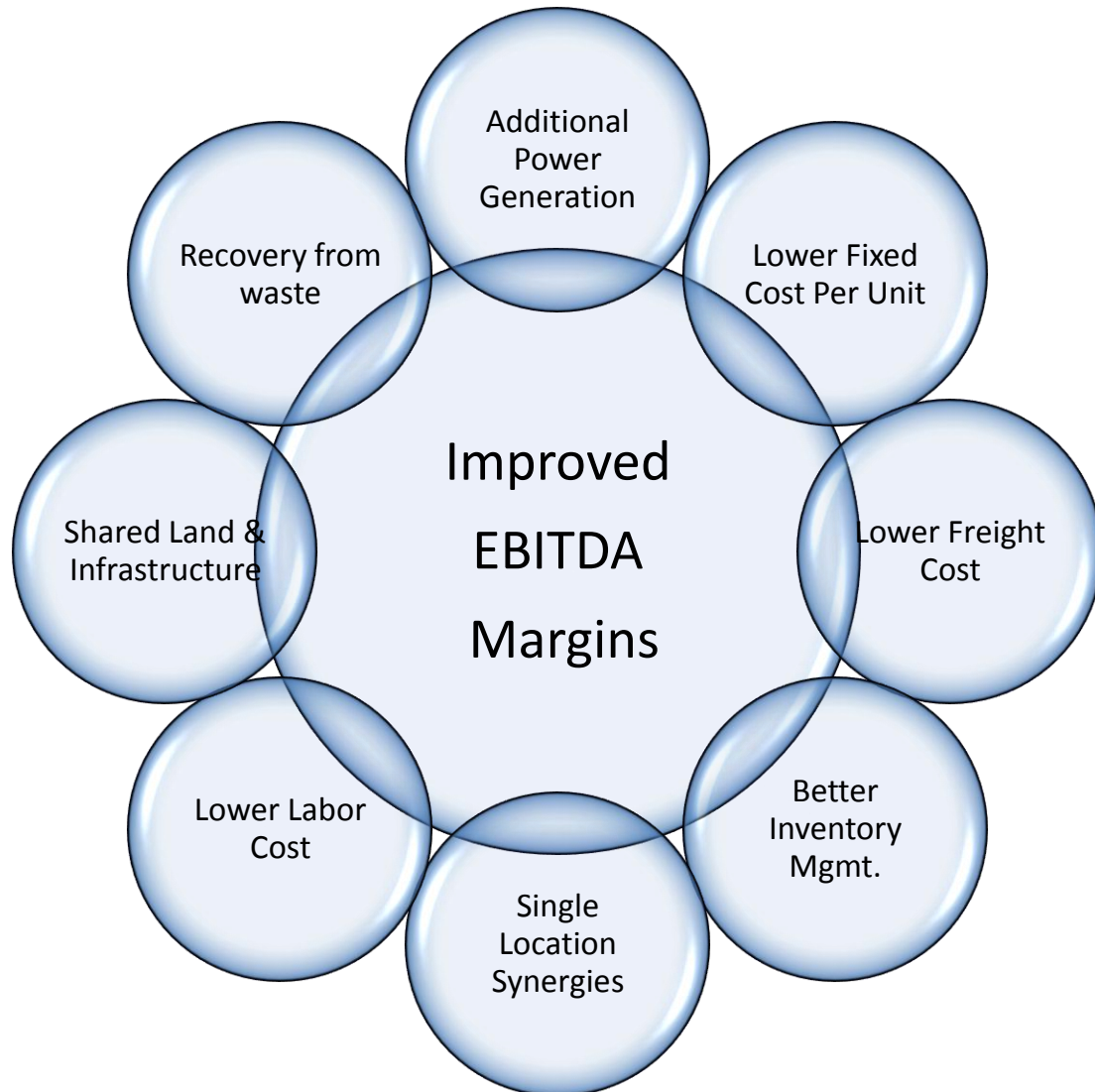
Consistent high capacity utilization

- 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
- Recovery of Benzoic Acid from waste water

Lowest Cost Producer...



- ✓ Self Sufficiency in Power
- ✓ Higher Utilization – Operating Leverage Efficiency
- ✓ Proximity to Port – Reduced Lead Time & Product Cost
- ✓ Short lead time sourcing for raw material
- ✓ Commercial & Technical Resources, other utilities shared by 3 Units
- ✓ Present manpower strength to suffice expanded capacity
- ✓ Sharing of Common Infrastructure – Laboratory, Warehouse etc
- ✓ Recovery from waste streams

Strategic Plant location



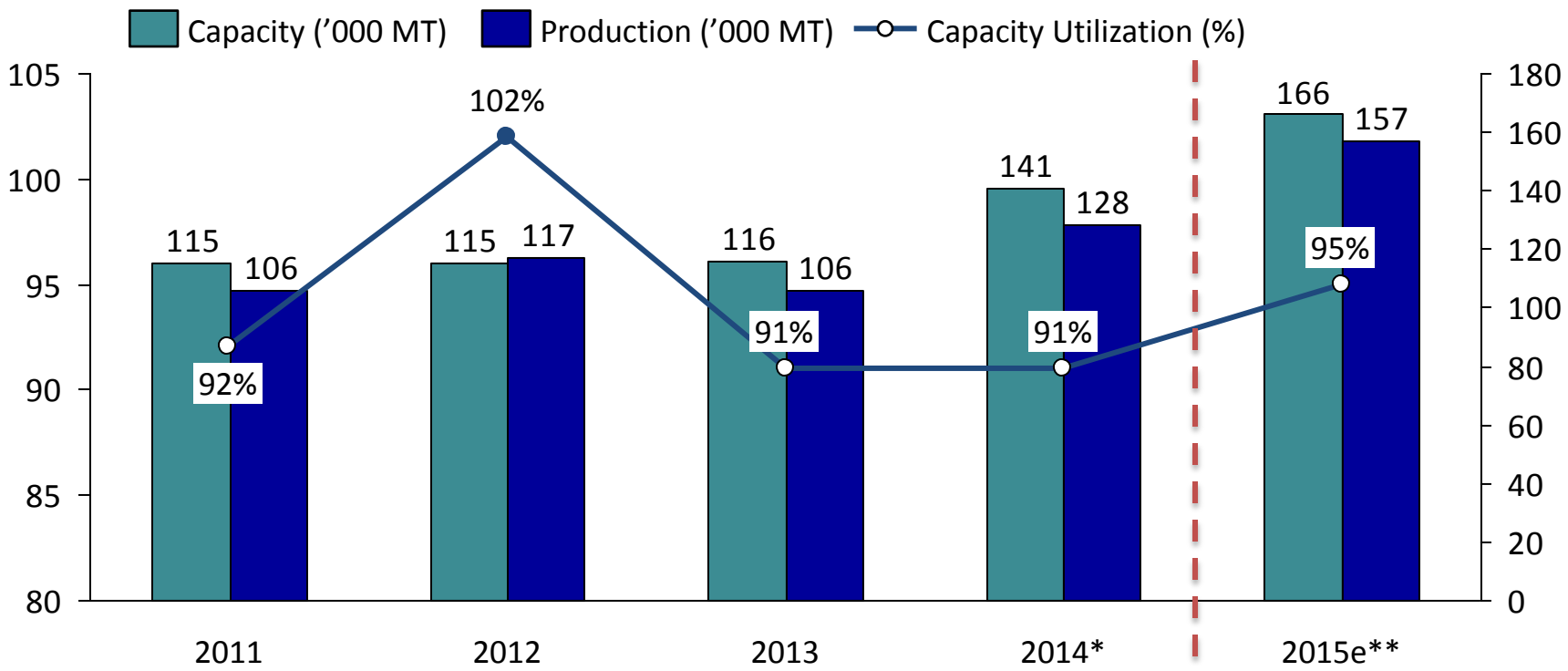
- Situated at Taloja, Maharashtra in Western India.
- 70% of the domestic sales is in Western region.
- Near JNPT & Mumbai Port an advantage point for the product market
- RIL major supplier situated in western region (Jamnagar, Gujarat) thus reduced inward logistic costs
- Better Inventory management and freight cost savings
- Reduction in lead time for both sales and purchase in the Domestic and International Markets



Strong Customer Base



High Capacity Utilisation

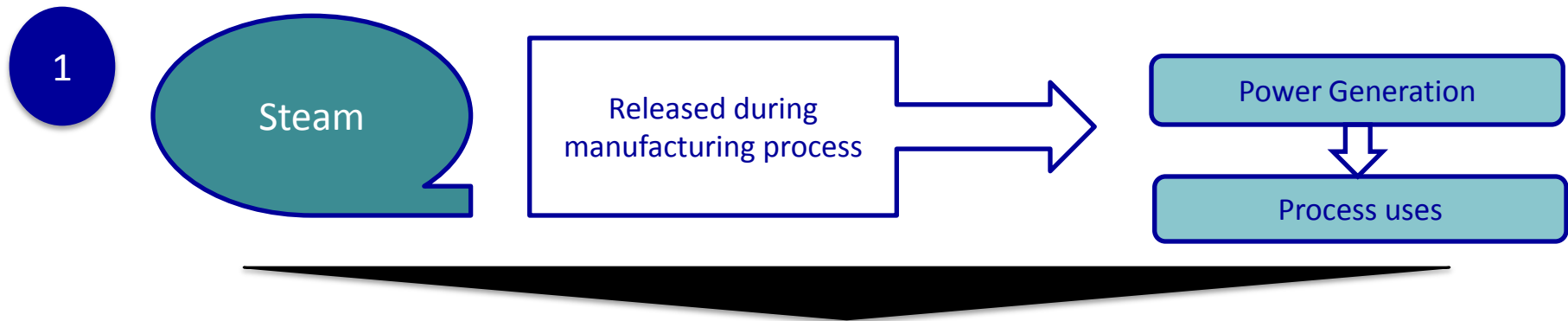


* Pro-rata available capacity based on commissioning of PA3

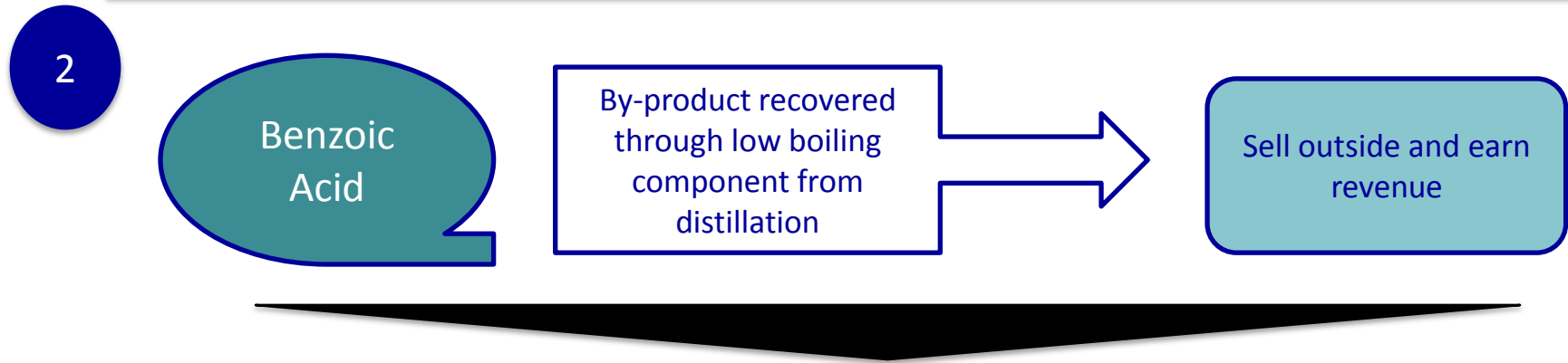
** Estimated Capacity utilisation for FY 15

- Strong capacity utilization levels on the back of healthy end-user industry trends
- Thrust on Infrastructure, Agriculture sectors & usage in newer applications will push up demand

Better Recovery Processes



Reduces Energy Requirements



Re-engineered processes to Recover and Reuse Wastes

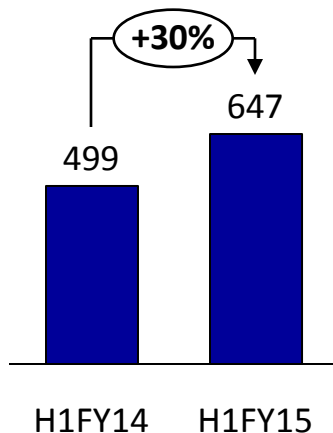


Financial Highlights

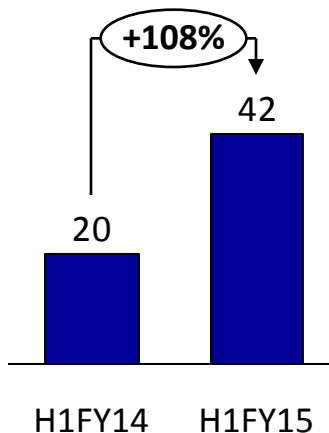


Key Highlights

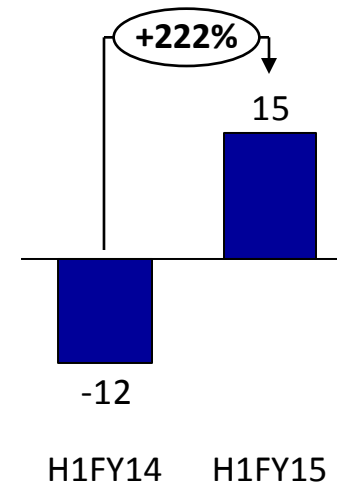
Revenue (Rs.crs)



EBITDA (Rs.crs)



PAT (Rs.crs)



- ✓ Total Sales for the first half of FY15 was **Rs. 647crs** increased by **30%** on Y-o-Y basis
- ✓ EBITDA surged by **108%** to **Rs. 42crs** resulting into EBITDA margin of **6.5%** margin expansion of **245 bps** compared to the same period last year
- ✓ Net Profit for H1FY15 is **Rs. 15crs** compared to **loss Rs. 12crs** in the same period last year

Profit & Loss Statement- Q2/H1 FY15

Particulars (Rs. In Crs)	Q2FY 15	Q2FY14	Y-o-Y	H1 FY15	H1 FY14	Y-o-Y
Total Income	304	255	19.0%	647	499	29.6%
Raw Material	258	226		550	440	
Employee Expenses	7	5		14	11	
Other Expenses	22	12		41	28	
EBITDA	17	12	42.9%	42	20	107.6%
EBITDA %	5.7%	4.8%		6.5%	4.1%	
Finance Cost	10	5		19	9	
Depreciation	4	4		8	7	
Other Income	1	1		4	3	
Exceptional Item*	0	10		0	20	
Tax	1	0		4	0	
Profit after Tax & MI	4	-6	171.0%	15	-12	221.5%
PAT %	1.3%	-2.2%		2.3%	-2.4%	

Balance Sheet Statement



Rs. in Crores	As on Sep-14	As on Mar-14
Shareholder's Fund	269	257
Share capital	31	31
Reserves & Surplus	238	226
Non-current liabilities	129	143
Long term borrowings	127	141
Long term provisions	2	2
Current liabilities	325	364
Short term borrowings	46	44
Trade payables	241	286
Other current liabilities	38	34
Total Liabilities	723	764

Rs. in Crores	As on Sep-14	As on Mar-14
Non-current assets	381	379
Fixed assets (inc. CWIP)	380	377
Long-term loans and advances	1	2
Current assets	342	385
Inventories	138	141
Trade receivables	151	174
Cash and bank balances	25	29
Shot term loans and advances	28	41
Other current assets	0	0
Total Assets	723	764

Historical Profitability Statement

Particulars (Rs. In Crs)	FY 14	FY 13	FY 12	FY11
Total Income	1204	970	886	631
Raw Material	1048	824	760	520
Employee Expenses	25	24	19	16
Other Expenses	70	65	65	52
EBITDA	60	57	42	44
EBITDA %	5.02%	5.84%	4.77%	6.69%
Finance Cost	30	17	15	14
Depreciation	18	14	15	14
Other Income	10	5	4	1
Exceptional Item*	18	28	0	0
Tax	1	1	3	3
Profit after Tax & MI	3	3	13	13
PAT %	0.26%	0.32%	1.5%	2.1%

For further information, please contact

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