# IGPETROCHEMICALS LIMITED

SECT/1042

15th February, 2017

**BSE** Limited

Corporate Relationship Department 1<sup>st</sup> Floor, P J Towers
Dalal Street

Scrip Code: 500199

Mumbai - 400 001

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 unaudited financial results for the third quarter and nine months ended 31<sup>st</sup> December, 2016.

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

Thanking you.

Yours faithfully,

For I G Petrochemicals Limited

**Company Secretary** 

Encl: as above





# I G PETROCHEMICALS LIMITED

**Investor Presentation – February 2017** 

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### **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 acquired by IGPL as a going concern on a 'Slump Sale basis".
- Lumpsum consideration of Rs. 74.48 crores payable over 5 years.

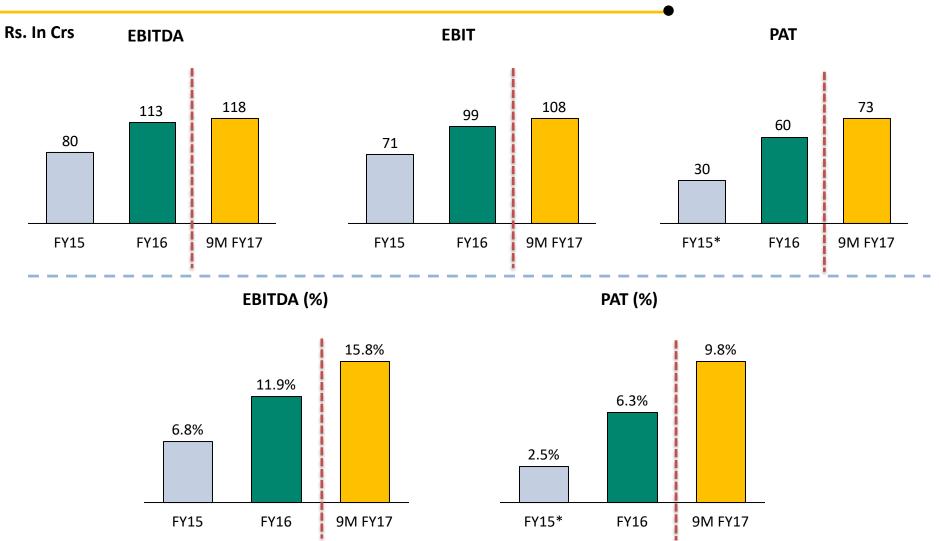
#### **Valuation**

 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

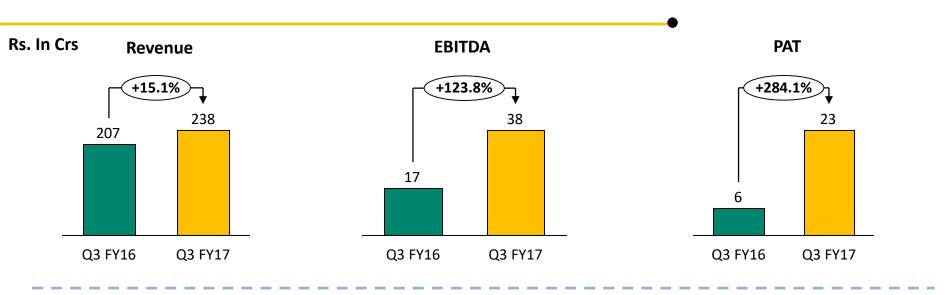


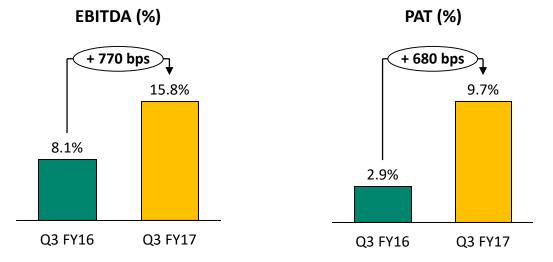
## Consistent Improvement in Operating Performance





# Q3 FY17 Performance Highlights





## Company Overview



Numero Uno Indian manufacturer of Phthalic Anhydride (PA)

Flagship company of **Dhanuka Group** 



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 who made a turnaround in business through his far sightedness and effective decision making

#### 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. 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. 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. R Chandrasekaran: CFO

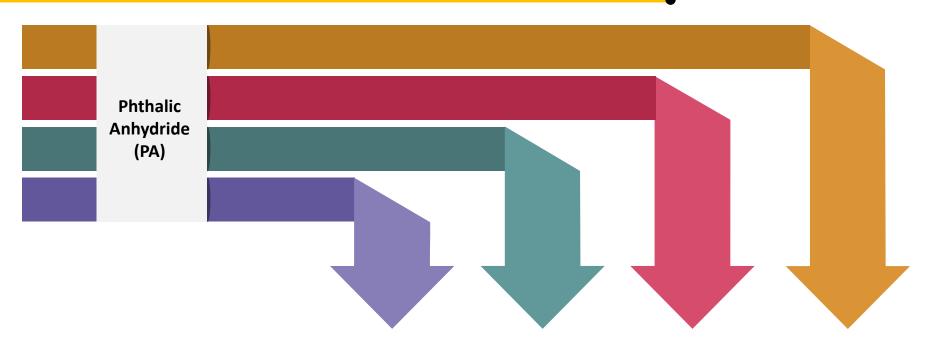
- ✓ C.A. and CS with over 30 years of experience
- ✓ Responsible for all the financial related activities and is associated with the company since 1999

#### Mr. 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







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

PA is a versatile intermediate in organic chemistry

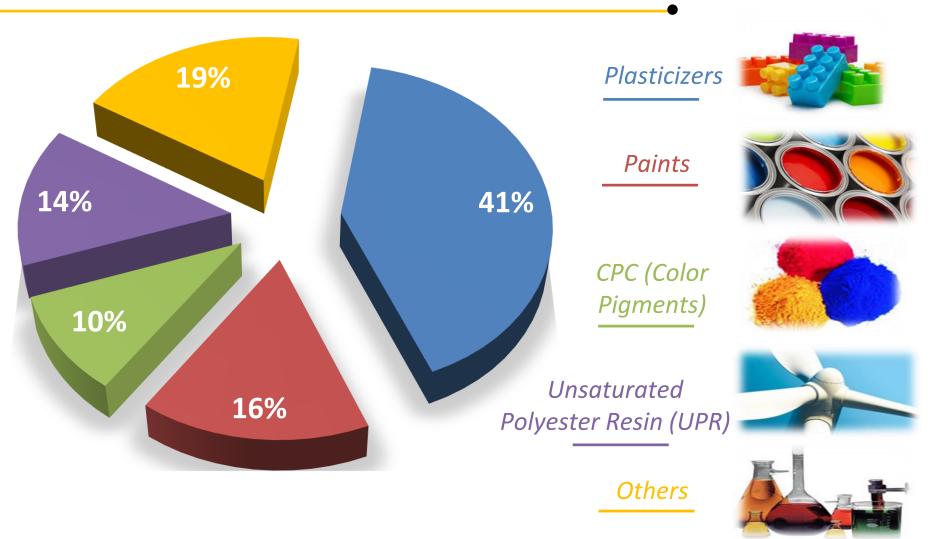
PA is used as an intermediate for the production of Plasticizers, Unsaturated Polyster durables to non Resins, Alkyd Resins & Polyols

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

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

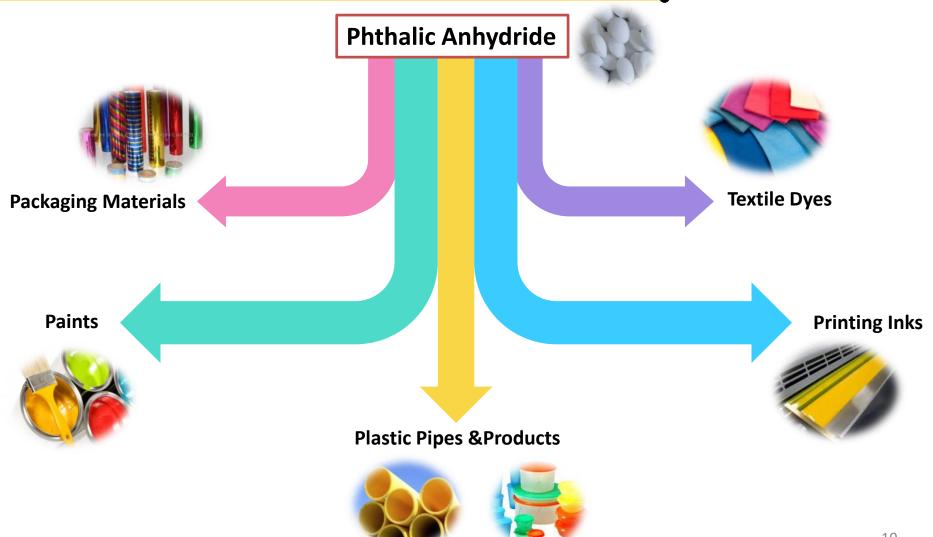
# End User Industries





# Phthalic Anhydride (PA): Varied Applications











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



















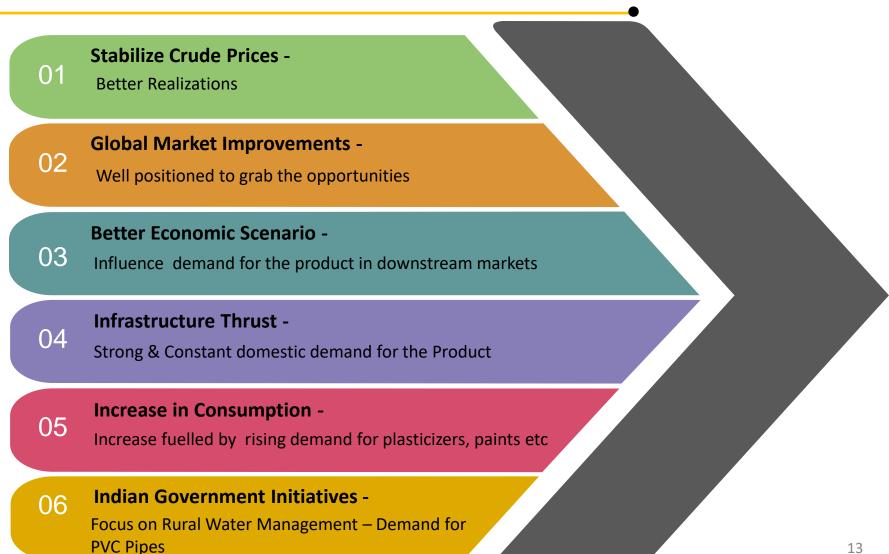








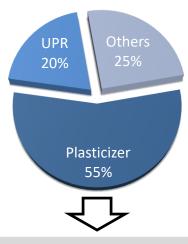
## Consumption Pull for Phthalic Anhydride...





### Consumption Pull for Phthalic Anhydride...

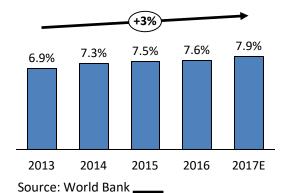
#### **Global PA Consumption - ~5.5mn tones**



- 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

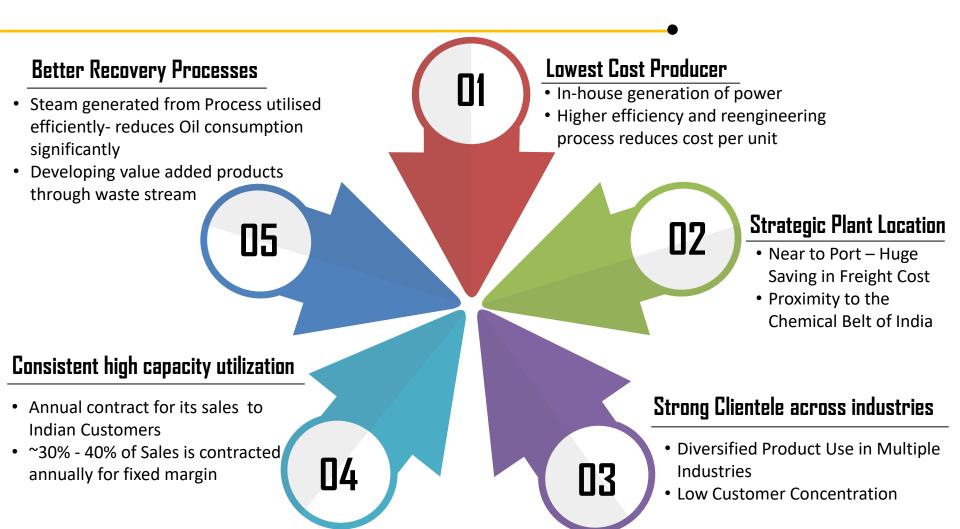
#### **India's GDP Growth Rate (%)**



- 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





### Profit & Loss Statement

Particulars (Rs. In Crs)	Q3 FY17	Q3 FY16	Y-o-Y	9M FY17	9M FY16	Y-o-Y	FY16
Revenue from Operations	236.38	205.44		744.00	734.23		947.60
Other operating Income	1.31	1.12		4.20	4.24		5.24
Total Revenue	237.69	206.56	15%	748.20	738.47	1%	952.84
Cost of Material Consumed	167.40	169.17		531.50	586.45		750.55
Purchase of Stock-in-Trade	2.18	-		2.18	-		-
Changes in Inventories	3.07	-4.34		9.60	-18.74		(16.47)
Total Raw Materials	172.65	164.83		543.27	567.71		734.08
Employee Expenses	6.51	7.60		25.71	22.11		29.76
Other Expenses	20.95	17.34		60.74	58.56		75.64
EBITDA	37.57	16.79	124%	118.47	90.09	32%	113.36
EBITDA %	15.81%	8.13%		15.83%	12.20%		11.90%
Other Income	0.72	0.35		2.19	1.89		3.57
Depreciation	4.43	4.30		13.04	12.91		17.54
EBIT	33.86	12.84	164%	107.62	79.08	36%	99.39
EBIT (%)	14.25%	<i>6.22%</i>		14.38%	10.71%		10.43%
Finance Cost	4.32	5.18		14.08	17.57		22.67
Profit before Tax	29.55	7.66	285%	93.54	61.51	<i>52%</i>	76.72
Tax	6.39	1.64		20.05	13.13		16.35
Profit after Tax	23.16	6.03	284%	73.49	48.38	52%	60.36
PAT %	9.74%	2.92%		9.82%	6.55%		6.34%
EPS	7.52	1.96		23.86	15.71		19.60

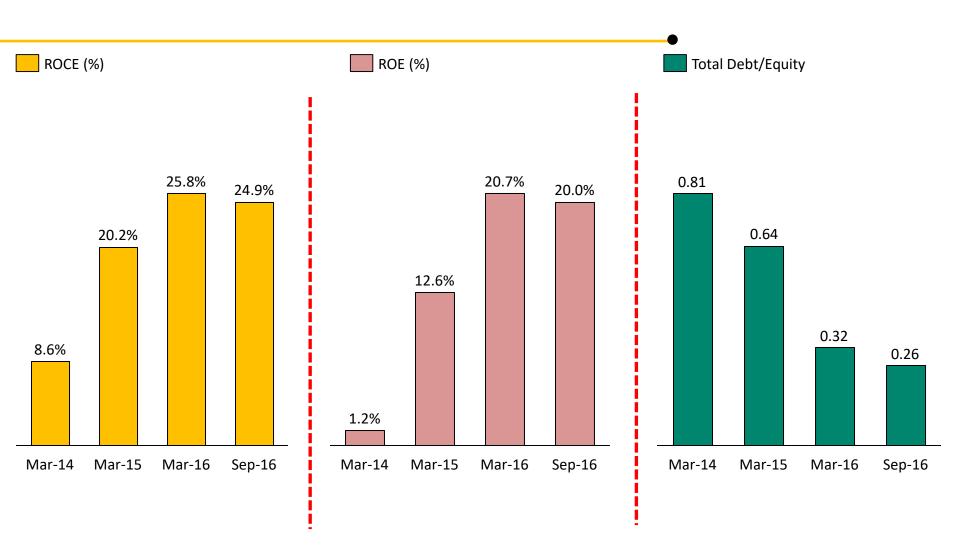


### Balance Sheet

Particulars (Rs. Crs)	Sep-16	Mar-16	Particulars (Rs. Crs)	Sep-16	Mar-16
Shareholder's Fund	342.10	291.76	Non-current assets	350.47	348.37
Share capital	30.80	30.80	Tangible Assets	313.51	322.19
Reserves & Surplus	311.30	260.96	Intangible Assets	0.03	0.04
Non-current liabilities	80.87	94.00	Capital Work in Progress	9.40	4.41
Long term borrowings	79.05	92.18	Non-Current Investments	4.36	0.33
Long term Provision	1.82	1.82	Long Term Loans & Advances	23.17	21.40
Current liabilities	170.29	192.90	Current assets	242.79	230.29
Short term borrowings	9.01	0.31	Inventories	73.07	89.56
Trade payables	119.13	154.25	Trade receivables	143.84	108.81
Other current liabilities	35.72	29.76	Cash and bank balances	12.17	16.88
Short term Provision	6.43	8.58	Short Term Loan & Advances	13.71	15.04
Total Liabilities	593.26	578.66	Total Assets	593.26	578.66



# Improved Performance – Ratios





### For further information, please contact

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