



# IG PETROCHEMICALS LIMITED

Investor Presentation – May 2022

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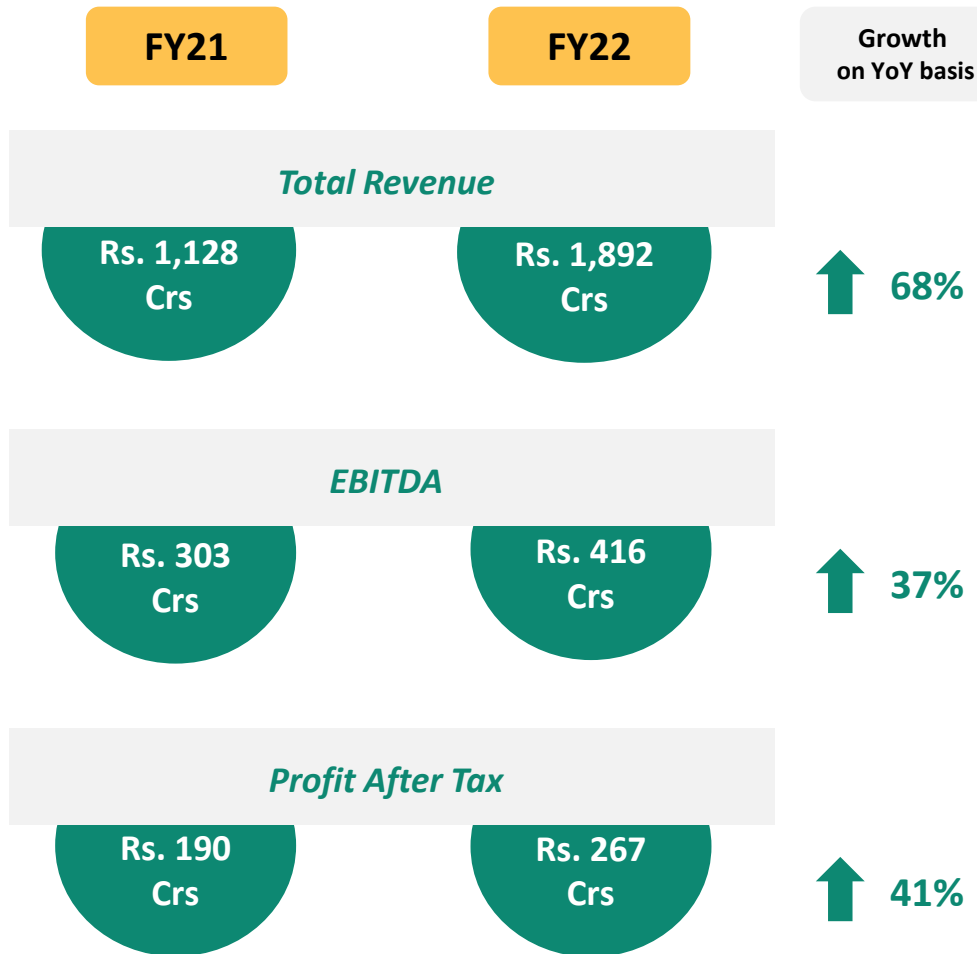
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# Q4 & FY22 Highlights

# CEO & MD's Message



Recommended a final dividend of Rs 10 per share

*"We are pleased to report the Company's highest-ever annual revenue and profitability. I want to credit our entire team for their unwavering efforts and emphasis on operational excellence for this incredible accomplishment. The total revenue for FY22 increased by 68 percent, supported by a healthy product mix driven by a growing share non-phthalic anhydride products. We have maintained our leadership position in the Phthalic Anhydride business in India. Despite volatility, our resilient performance demonstrates our solid organizational capabilities, which are backed by a healthy balance sheet.*

*Given the growing demand for downstream derivative products, the Company has added Diethyl Phthalic (DEP) to the product portfolio. The capacity expansion of DEP has given a thrust to the Company's long-term growth trajectory and the same will be manifested in the coming years.*

*Brownfield expansion of PA -5 Unit is on track, and we target to commercialize the same by March'24. We believe, we have laid a solid foundation for the future by focusing on long-term growth, in the end-user application market.*

*To reiterate, our long-term goal is to become a well-diversified chemical company with a leadership position in our core business. We will diversify our business product range by expanding into various downstream derivatives and specialty chemicals to meet our vision to generate 30% revenue from the non-Phthalic product by 2025.*

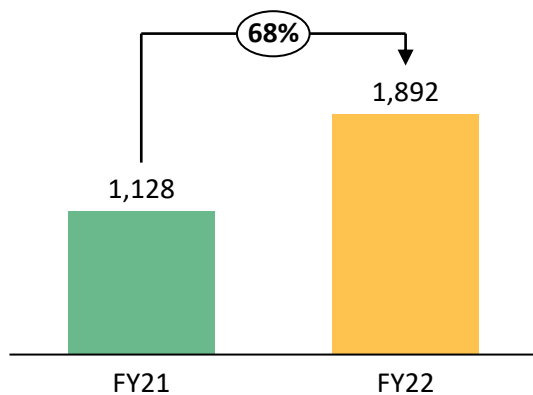
*Given the Company's strong performance, we have recommended a final dividend of Rs 10 per share to reward shareholders."*

**Nikunj Dhanuka,**  
CEO & MD

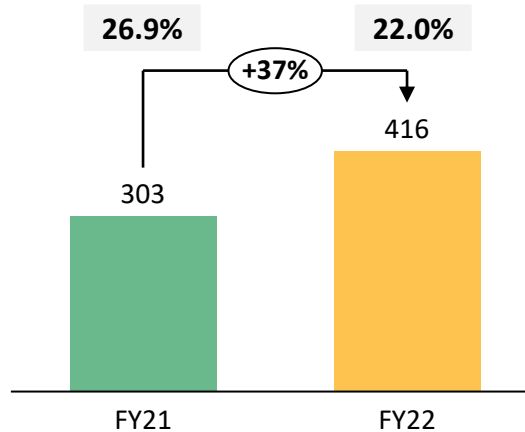


# Performance Highlights

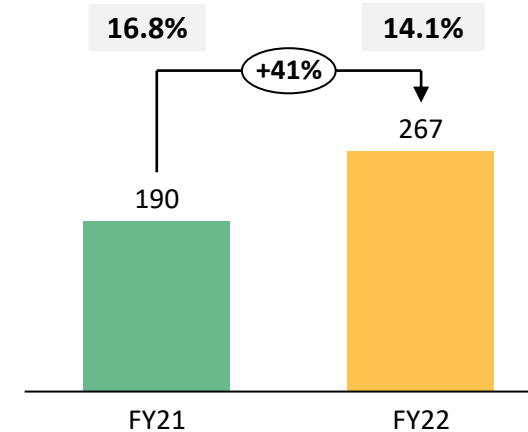
Revenue^ (Rs. Cr)



EBITDA^ (Rs. Cr)

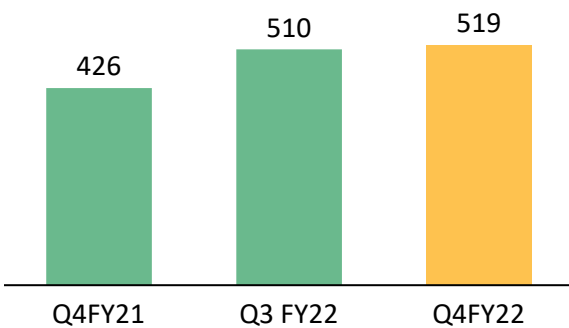


PAT (Rs. Cr)

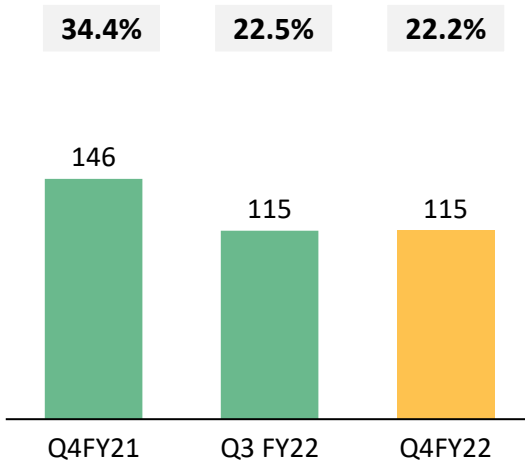


Margin

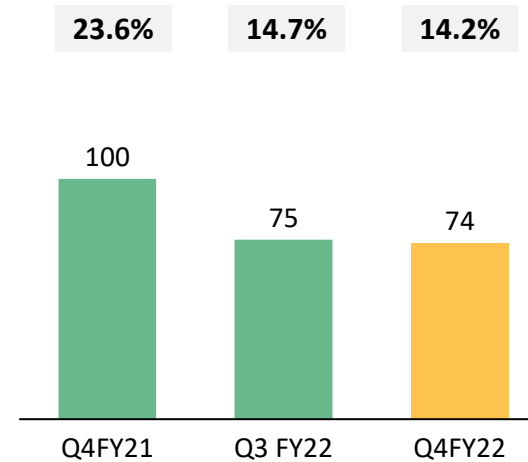
Revenue^ (Rs. Cr)



EBITDA^ (Rs. Cr)



PAT (Rs. Cr)



Margin

# Contribution From Non – PAN\* Business

Increasing share From Non- Phthalic Anhydride Business

**FY20**

**Rs 45 Crores**

**FY21**

**Rs 54 Crores**

**FY22**

**Rs 120 Crores**

\*Non Phthalic Anhydride (PAN) Business includes - Maleic Anhydride (MAN), Benzoic Acid (BA), Diethyl Phthalate (DEP) & Others

DEP facility commercialized in Nov'21

# Profit & Loss Statement

Particulars (Rs. Cr)	Q4 FY22	Q3 FY22	Q4 FY21
<b>Total Revenue<sup>^</sup></b>	<b>519.1</b>	<b>509.7</b>	<b>425.9</b>
Raw Material	335.8	337.9	225.0
Employee Expenses	18.5	21.1	25.5
Other Expenses	49.7	35.8	29.1
<b>EBITDA</b>	<b>115.1</b>	<b>114.8</b>	<b>146.3</b>
<b>EBITDA Margin (%)</b>	<b>22.2%</b>	<b>22.5%</b>	<b>34.4%</b>
Depreciation	11.5	10.9	10.5
<b>EBIT</b>	<b>103.6</b>	<b>103.9</b>	<b>135.8</b>
<b>EBIT Margin (%)</b>	<b>20.0%</b>	<b>20.4%</b>	<b>31.9%</b>
Finance Cost	3.5	3.2	1.2
Exceptional Items	0.0	0.0	0.0
<b>Profit before Tax</b>	<b>100.1</b>	<b>100.7</b>	<b>134.6</b>
Tax	26.4	25.6	34.1
<b>Profit After Tax</b>	<b>73.6</b>	<b>75.1</b>	<b>100.4</b>
<b>PAT Margin (%)</b>	<b>14.2%</b>	<b>14.7%</b>	<b>23.6%</b>
<b>EPS (in Rs.)</b>	<b>23.91</b>	<b>24.38</b>	<b>32.61</b>

FY22	FY21	Y-o-Y
<b>1,891.9</b>	<b>1,128.4</b>	<b>67.7%</b>
1,239.7	651.4	
75.1	70.7	
161.3	102.9	
<b>415.7</b>	<b>303.3</b>	<b>37.1%</b>
<b>22.0%</b>	<b>26.9%</b>	
44.3	34.1	
<b>371.4</b>	<b>269.2</b>	<b>37.9%</b>
<b>19.6%</b>	<b>23.9%</b>	
12.9	14.6	
0.0	0.6	
<b>358.5</b>	<b>254.1</b>	<b>41.1%</b>
91.8	64.5	
<b>266.7</b>	<b>189.5</b>	<b>40.7%</b>
<b>14.1%</b>	<b>16.8%</b>	
86.60	61.54	

# Balance Sheet

Particulars (Rs. Cr)	Mar - 22	Mar - 21
<b>Equity</b>		
Equity Share Capital	30.8	30.8
Other Equity	1,030.3	787.3
<b>Total Equity</b>	<b>1,061.1</b>	<b>818.1</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	114.3	89.8
Lease Liabilities	0.2	0.3
Other Liabilities	0.0	9.2
Provisions	4.3	3.9
Deferred Tax Liabilities (Net)	77.8	69.6
<b>Total Non-Current Liabilities</b>	<b>196.7</b>	<b>172.8</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	6.7	0.0
Trade Payables	295.0	220.9
Other Financial Liabilities	19.7	21.8
Other Current Liabilities	17.5	10.3
Provisions	2.1	1.0
Lease Liabilities	0.1	0.9
Current Maturities of Long Term Borrowings	15.6	38.0
<b>Total Current Liabilities</b>	<b>356.7</b>	<b>292.9</b>
<b>Total Equity and Liabilities</b>	<b>1,614.5</b>	<b>1,283.8</b>

Particulars (Rs. Cr)	Mar - 22	Mar - 21
<b>Non-Current assets</b>		
Property, Plant and Equipment	733.3	697.8
Capital Work-In-Progress	18.1	40.6
Goodwill	2.0	2.0
Other Intangible Assets	0.1	0.3
Right To Use Asset	0.3	1.0
Investment Property	0.5	0.5
<b>Financial Assets</b>		
Investments	50.9	43.2
Loans	40.6	39.0
Other Financial Assets	38.6	21.7
Security Deposit	1.9	1.7
Non-Current Tax Assets (Net)	13.2	16.1
Other Non-Current Assets	23.0	8.1
<b>Total Non-Current Assets</b>	<b>922.6</b>	<b>871.9</b>
<b>Current Assets</b>		
Inventories	152.1	143.8
<b>Financial Assets</b>		
Investments	72.5	15.0
Trade Receivables	346.8	198.7
Cash and Cash Equivalents	6.2	7.5
Bank Balances	101.5	36.0
Loans	0.6	0.7
Other Financial Assets	2.5	0.3
Other Current Assets	9.7	9.8
<b>Total Current Assets</b>	<b>691.8</b>	<b>411.9</b>
<b>Total Assets</b>	<b>1,614.5</b>	<b>1,283.8</b>





# Company Overview



## India's Largest Phthalic Anhydride Manufacturer

Incorporated in 1988

World's **Largest PAN\***  
Manufacturer at Single Location

**20+** End User Industries Served

**Lowest Cost Producer** of PAN\*

India's only  
**Maleic Anhydride (MAN)**  
Manufacturer

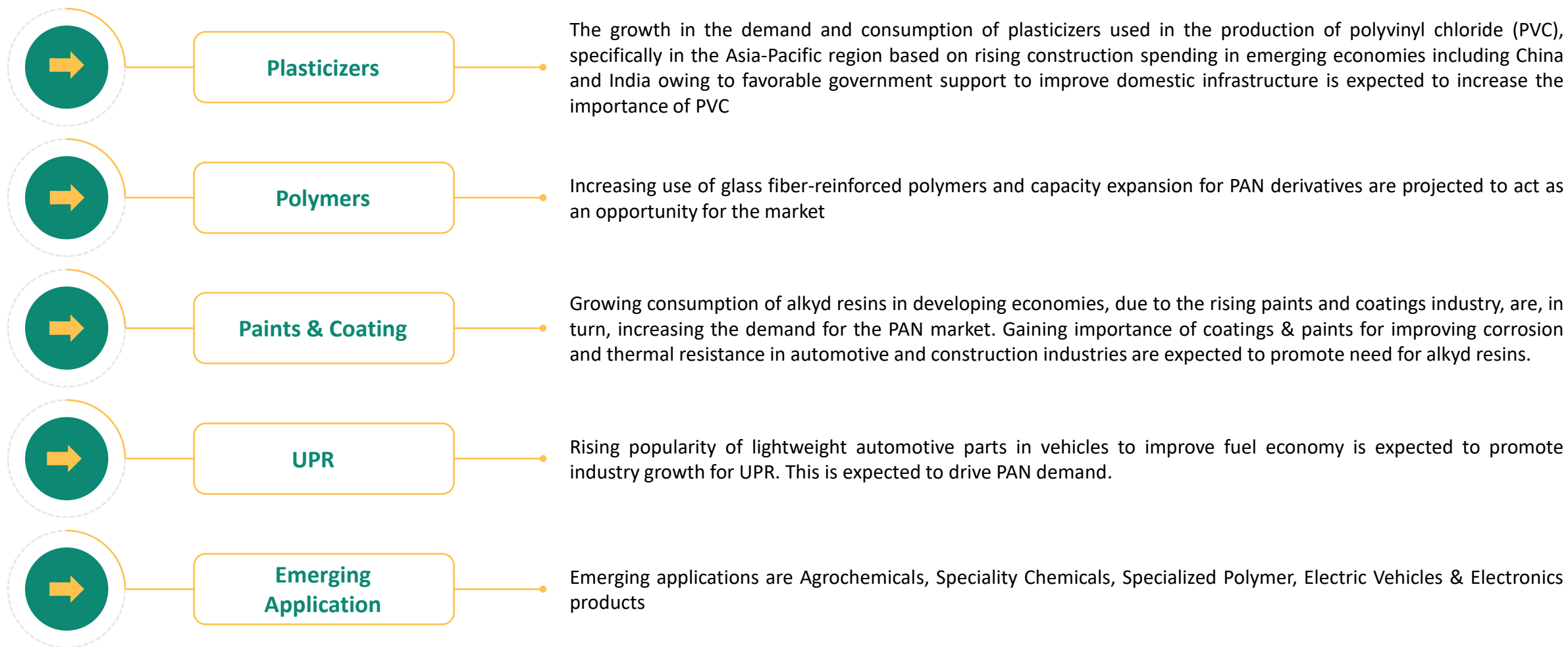
> 50% Domestic Market Share of  
PAN\*

PAN\* Capacity **2.22 Lakh MTPA**

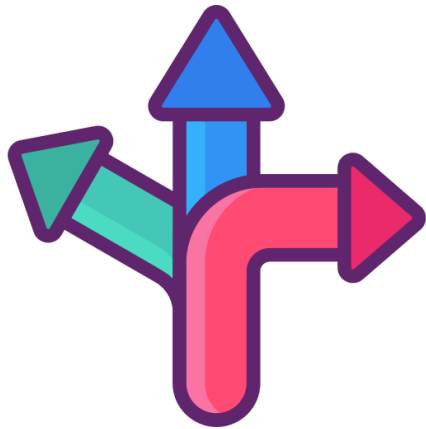
ISO Certified  
9001:2015  
14001:2015

# Phthalic Anhydride Overview

PAN is a versatile intermediate in organic chemistry and a downstream product of a basic petrochemical, Orthoxylene (Ox). It is used as an intermediate to produce Plasticizers, Unsaturated Polyester Resins, and Alkyd Resins & Polyols. It finds application in both consumer durables to non-consumer durables. Its end users are paints, inks, coatings, boxes, containers and packaging films industries among others.

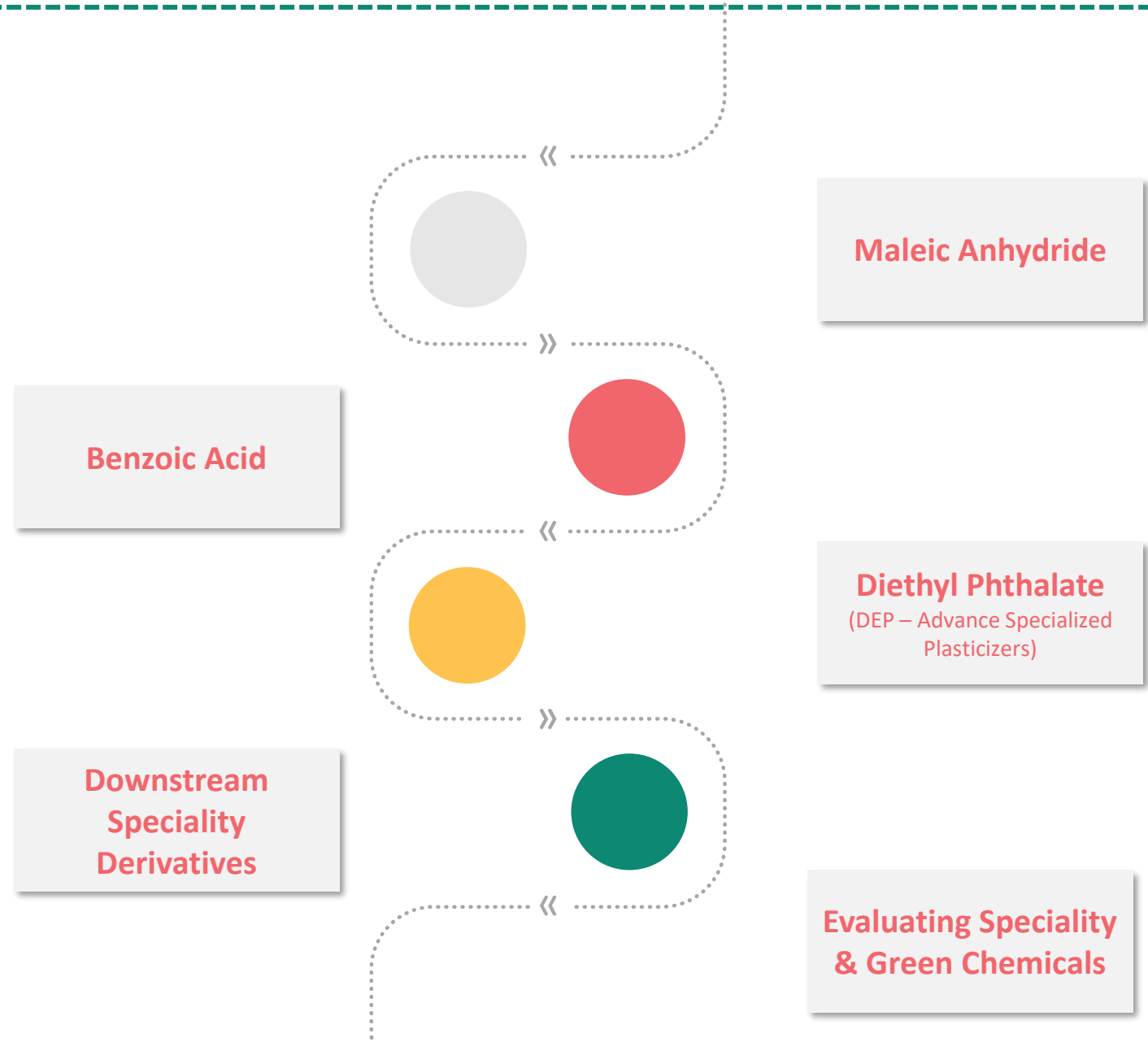


# Diversification Into Non-Phthalic Anhydride Products



## Current Capacity

- › Phthalic Anhydride - 222,110 MTPA
- › Maleic Anhydride – 7,660 MTPA
- › Benzoic Acid – 1,300 MTPA
- › Diethyl Phthalate – 8,400 MTPA



# Proximity to Western Belt of India

## VISION

*“To be a well-diversified chemicals company with a leadership position in Phthalic Anhydride Industry”*



Plants are engineered with **Technical collaboration with Lurgi GmbH, Germany** and are designed on the low energy-based processes



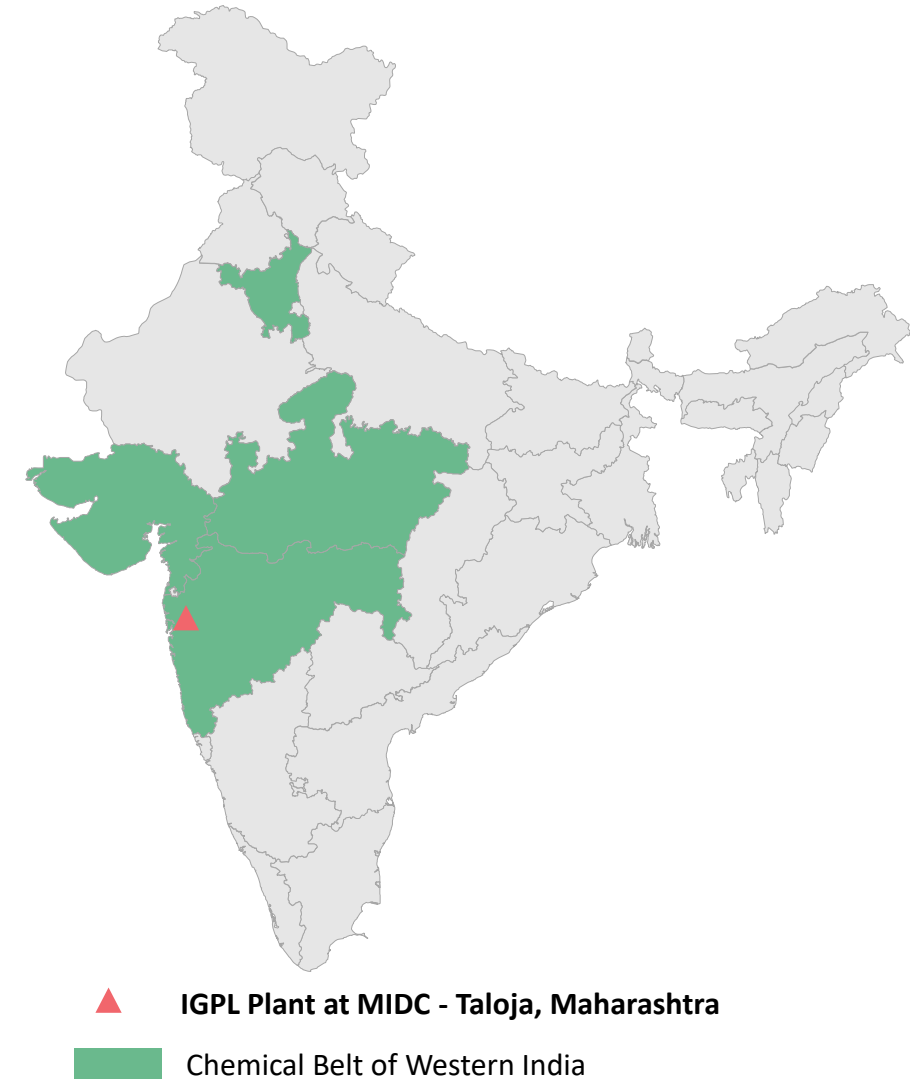
The company has a distinct sourcing and selling advantage due to its strategic location in the **Western Chemical Belt of India**



**A leading PAN manufacturer in India and the global market**



The plant is well connected with **road & port facilities.**





# State of the Art Manufacturing Facilities



Undertaken Significant Process Enhancement Initiatives along with capacity expansions and product diversification

Steam generated from the production process is used for Company's captive power requirements

100% energy requirements met through captive power plants

World's **Largest PAN** Manufacturer at Single Location

Six-sigma quality control processes and ERP systems across the organization

New Effluent Treatment Plant (ETP) facility has enabled the Company to achieve a partial Zero Liquid Discharge

Efforts are on to reach complete Zero Liquid Discharge status in the next few years

# Diversified End-User Industry

## Phthalic Anhydride



Plasticizers



Alkyd Resins & Paints



Unsaturated Polyester Resins



CPC Pigments

**20+**  
End User  
Industries

## Maleic Anhydride



Lubricant Additive



Agro Chemicals



Plastics



Unsaturated Polyester Resins

**120+**  
Clients

## Benzoic Acid



Perfume



Insect Repellent



Speciality Chemicals

## Advance Plasticizers



Incense Stick



Perfume



Personal Care

**~15%**  
Export  
Business

# High Focus on Capacity Expansion

## PA 4 Plant

- PAN Capacity of 53,000 MTPA
- Capacity **commissioned** in Dec 2020



*Commissioned*



## Advance Plasticizers (DEP)

- Capacity of 8,400 MTPA
- Capacity **commissioned** in Nov 2021



*Commissioned*



## PA 5 Plant (Brownfield Expansion)

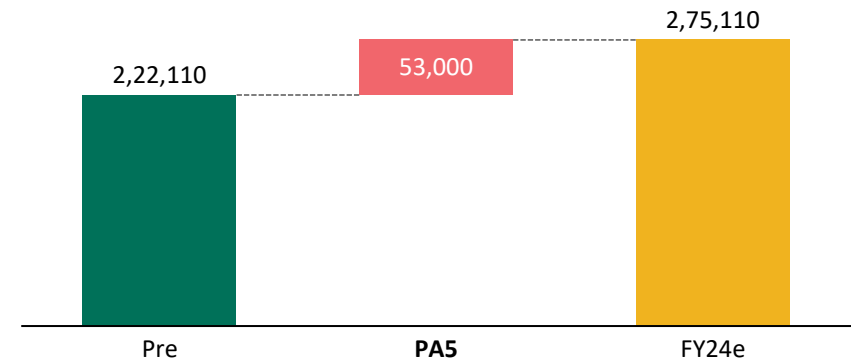
- Project Cost : Rs. 350 Crores
- Capacity PAN : 53,000 MTPA | MAN : 1,500 MTPA
- PA 5 unit is expected to commence in March 2024



*Upcoming*

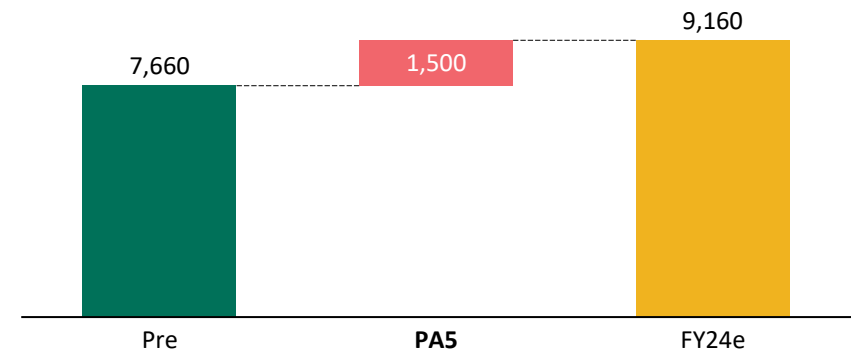
## *Phthalic Anhydride*

Capacity Post PA 5 Expansion (MTPA)

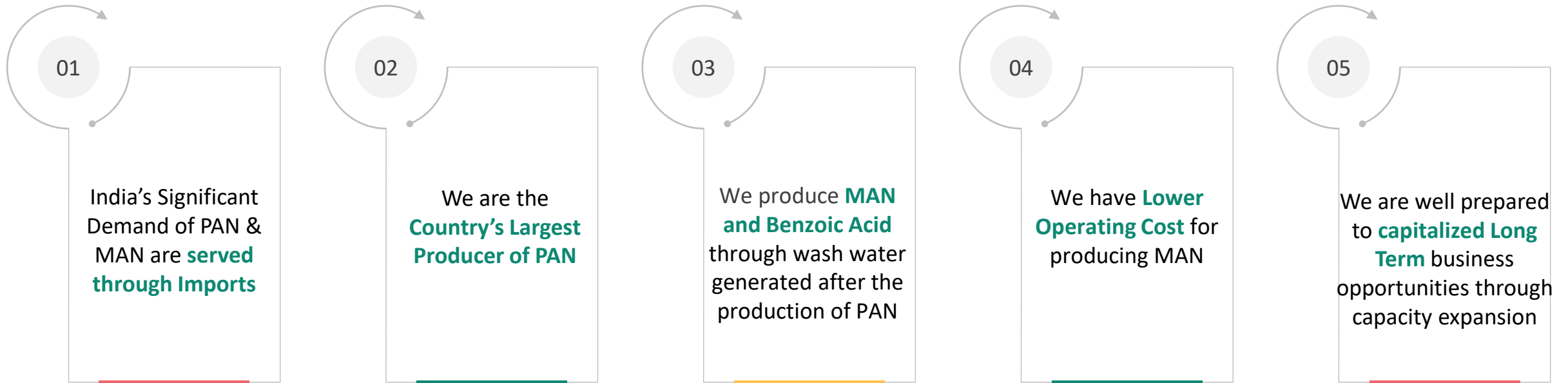


## *Maleic Anhydride*

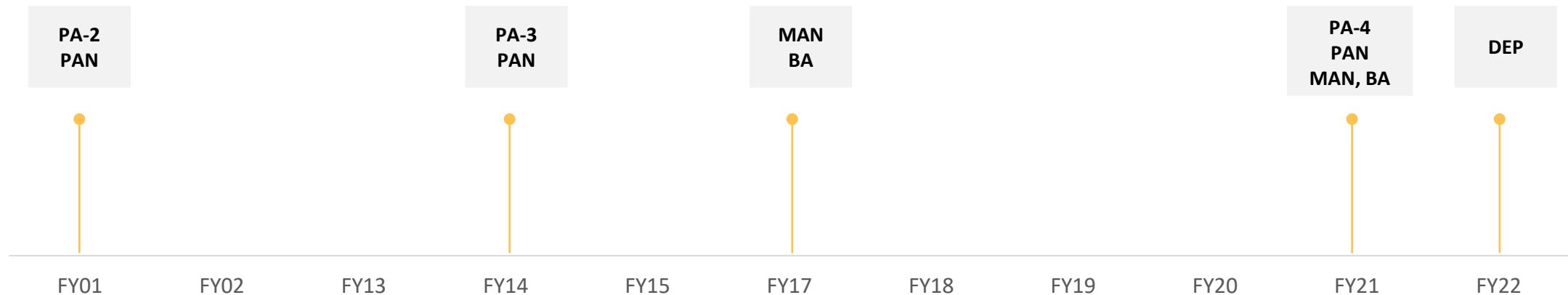
Capacity Post PA 5 Expansion (MTPA)



# Sustainable Business Model



## Capacity Added Over The Last 2 Decades





# Led by Healthy Demand



Paints & Resins



Plasticizers



Speciality Chemicals



Medical Device



Synthetic Leather



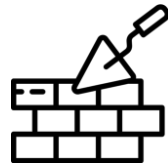
Lubricants



Building &  
Construction



Cables & Wires



Construction



Packaging Films



Personal Care



Perfumes & Fragrance

## Sustainable Growth

### Infrastructure Development

Higher private and government spending on social and industrial infrastructure leading to Strong & Constant domestic demand for the Products

### Make in India Push

Govt. Initiative to encourage companies to manufacture in India and incentivize dedicated investments into manufacturing

### Increase in Consumption

Increase in consumption fueled by rising demand for plasticizers, paints etc

### High Demand in Asia Pacific

Over 60% of global PAN consumption is in ASIA Pacific, which is anticipated to expand because of increased private and government spending.

All Major End User Industries Are Growing At Healthy Pace



# Way Forward

To Complete  
Brownfield PA-5 Project

To ramp-up New  
Downstream Advance  
Plasticizers (DEP) Capacity

High Capacity Utilization &  
Recovery Process To Drive  
Efficiencies And Cost Reduction

Increase International Presence

Cater To Increasing Diverse End-  
user Industries Of PAN

To Evaluate Organic & Inorganic  
Growth Opportunities

Targeting ~30% Diversification into Non-PAN Business by FY25

Phthalic Anhydride

Non-PAN &  
Downstream Derivative Business

# CSR Initiatives



Provision of Medical Equipments / Apparatus to Valap Health Centre



Provision of Phaco Machine with accessories for Cataract Surgery, Sonography Machine, Dialysis Machine etc. to Dr. Patwardhan Hospital



Contribution to OSCAR foundation to support their initiative for Football league which aims to empower children from low-income communities



Donation of Mobile Blood Donation Coach with necessary accessories to Rotary Club, New Panvel

# Board of Directors



**Shri M M Dhanuka**  
**Non-executive Chairman**

**Background :** B.E. (Chem) and a founder member of the Company along with his brother Late Shri Shyam Sunder Dhanuka. Possesses varied experience and expertise in Chemical Industries, sales, marketing, commercial, board governance, production and technical.



**Shri Nikunj Dhanuka**  
**Managing Director & CEO**

**Background :** Management Graduate and is associated with the Company since 1998. In charge of the overall affairs of the Company. Under his leadership, the overall performance of the Company has been growing at a brisk pace with significant improvement in margins during the last few years.



**Shri J.K Saboo**  
**Executive Director**

**Background :** Commerce & Law Graduate and is associated with the Company since 1991. Has more than 40 years of experience in the petrochemical industry & is in charge of the operations of the Company's plant situated at Taloja.



**Shri Rajesh R Muni**  
**Non-executive & Independent**

**Background :** A fellow member of The Institute of Chartered Accountants of India. He is a senior partner of M/s R. R. Muni & Co., Practicing Chartered Accountant and has more than 44 years of vast experience in audit and taxation



**Dr. A. K. A. Rathi**  
**Non-executive and Independent**

**Background :** B.E. (Hons) Chemical, M.E. (Chemical), Ph.D (Engineering), Diploma in Management, Diploma in Integrated Coastal Zone Management. Been a Professor at CEPT University in the Faculty of Planning and Public Policy. He was Director (Environment) and Chief Technical Adviser to Govt of Gujarat.



**Dr. Vaijayanti Pandit**  
**Non-executive and Independent**

**Background :** MA, Ph. D in Management studies from JBIMS. She was Vice President at Adfactors Group and headed FICCI West as the Sr. Director and was Secretary to Indian Merchants' Chamber



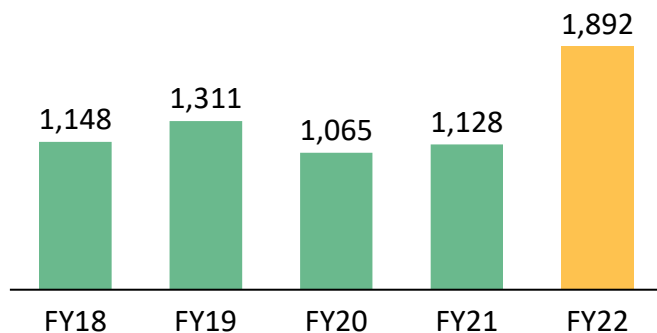


# Financial Highlights

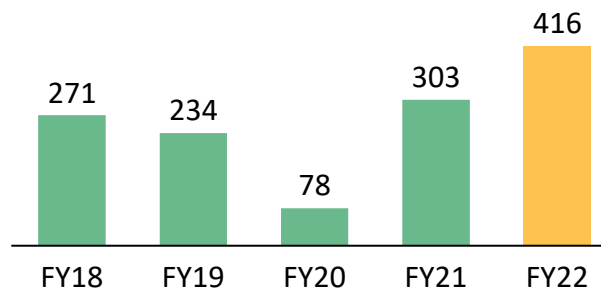


# Financial Trends

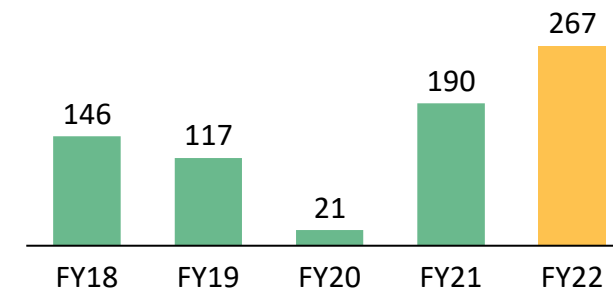
Total Revenue ^ (Rs. Cr)



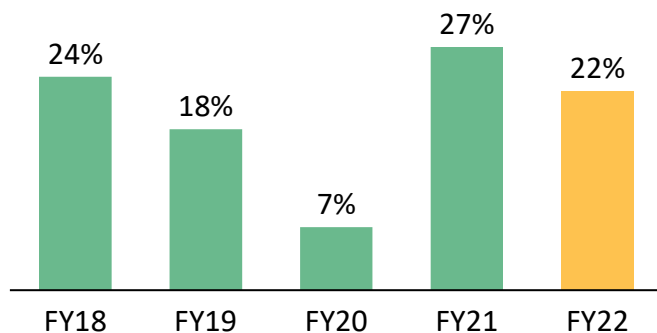
EBITDA ^ (Rs. Cr)



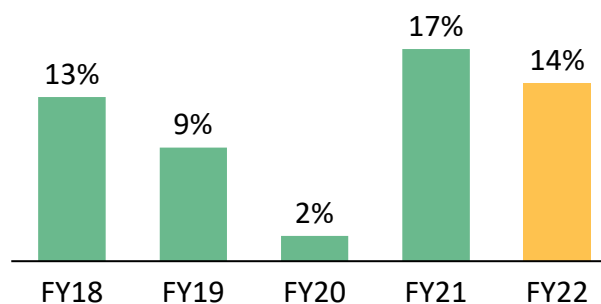
PAT (Rs. Cr)



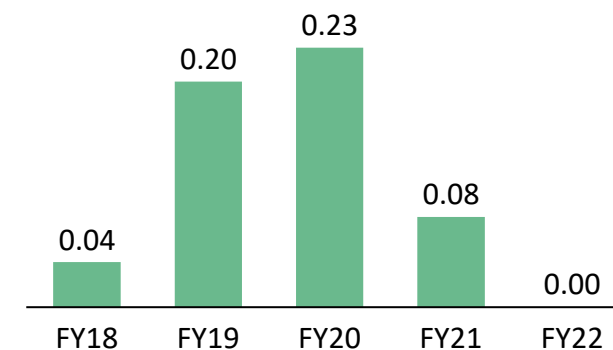
EBITDA Margin (%)



PAT Margin (%)



Net Debt/ Equity (x)







# Thank You

For further information, please contact



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**SGA** Strategic Growth Advisors

**Strategic Growth Advisors Pvt. Ltd.**

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