



IG PETROCHEMICALS LIMITED

Investor Presentation – May 2023

Safe Harbor



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Q4 & FY23 Highlights

Managing Director & CEO's Message



FY22

FY23

Total Revenue

Rs. 1,892
Crs

Rs. 2,375
Crs

EBITDA

Rs. 416
Crs

Rs. 340
Crs

Profit After Tax

Rs. 267
Crs

Rs. 200
Crs

Recommended a final dividend of Rs 10 per share

“We are pleased to report the Company's highest-ever annual revenue and would like accredit the entire team for their grit and commitment. The total revenue for FY23 grew by 26 percent to Rs 2,375 crores, supported by a healthy product mix. Our Non-Phthalic business has grown by 42% to Rs 170 crores for the full financial year. Our profitability were marginally compressed due to unstable price of feedstock. Despite volatility, we have maintained a pole position in Phthalic Anhydride business in India demonstrating our resilient performance with strong capabilities & healthy balance sheet.

We are delighted to inform you that we find a very interesting opportunity in the Biofuels space in India and are looking forward to participate in the ecosystem. The Company proposes to venture into bio-fuels such as Compressed Biogas, Ethanol, and its derivatives. We will share more information on the same in the coming quarters. On the other hand, Brownfield expansion of PA -5 Unit is on track, and expect to commercialize by March'24.

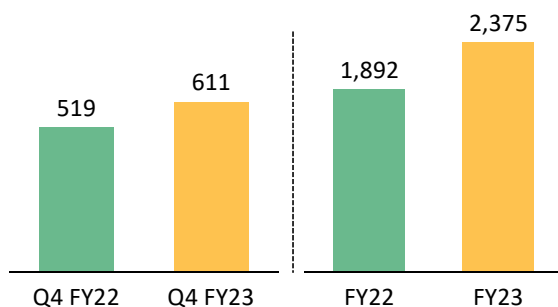
In the past 2-3 years, we have made some strategic decisions to meet the rising demand. These decisions were part of holistic strategies, aimed at providing a better value proposition for our business partners. We believe, we have laid a solid foundation for the future and are well-positioned to sustain the business momentum in FY24.”

**Nikunj Dhanuka,
Managing Director & CEO**

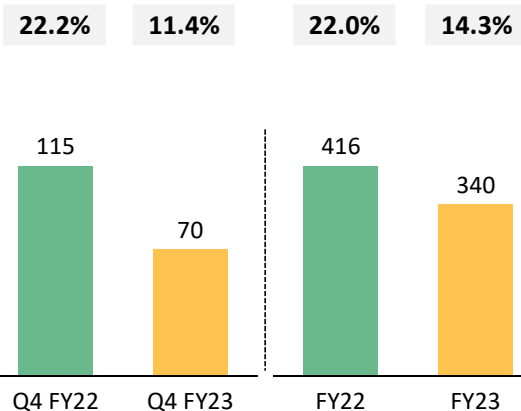
Performance Highlights



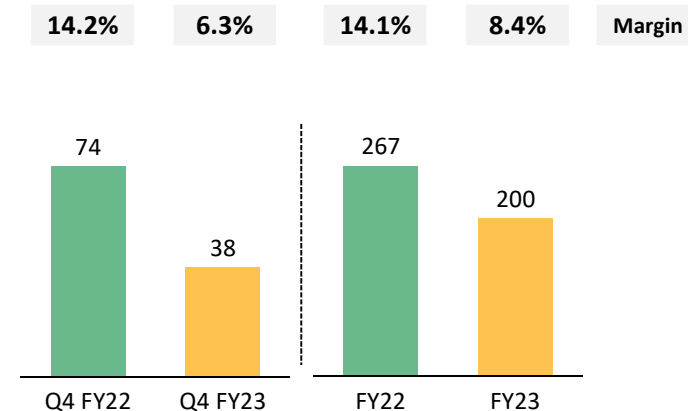
Revenue^ (Rs. Crs)



EBITDA (Rs. Crs)



PAT (Rs. Crs)



22.2%

11.4%

22.0%

14.3%

14.2%

6.3%

14.1%

8.4%

Margin

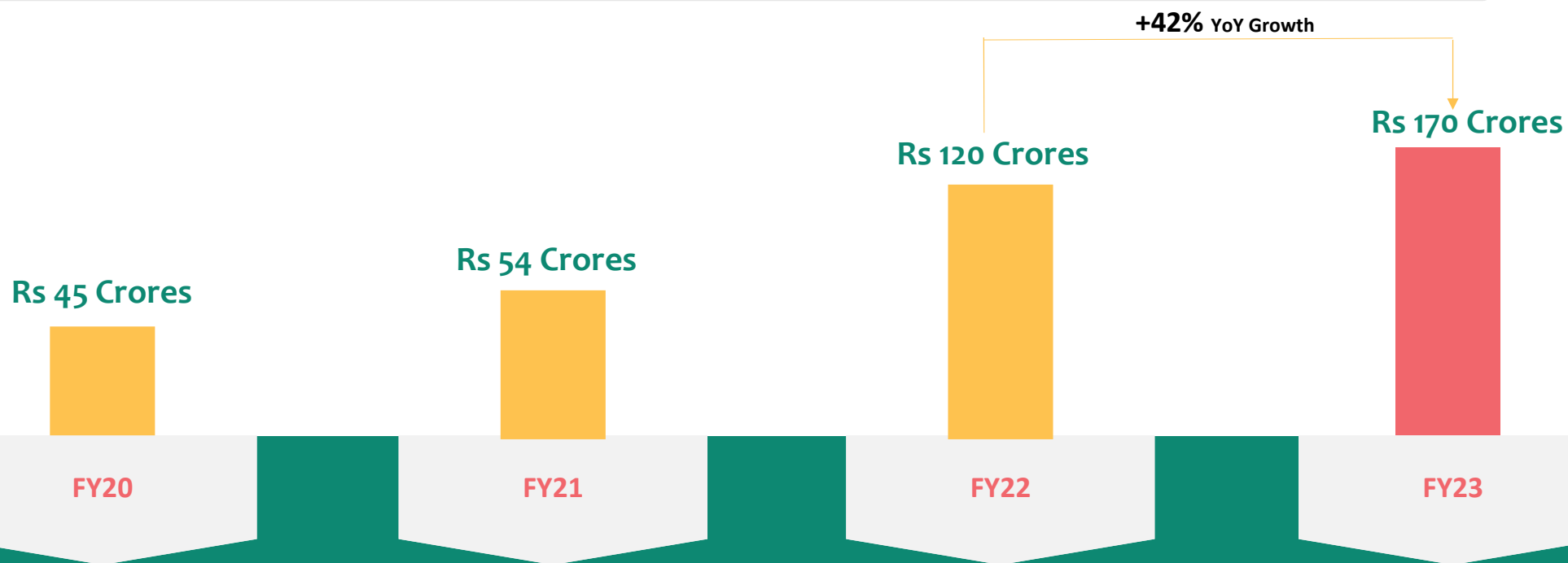
Key Highlights

- Registered a highest-ever annual revenue of Rs. 2,375 crores led by a better product mix
- Business momentum continued with revenue growth of 17.7% for Q4FY23 and 25.5% for FY23 on YoY basis
- Non-Phthalic Anhydride business grew by 42% on a YoY basis to Rs. 170 Crores for FY23
- Export market contributed nearly ~9% for FY23
- Brownfield Expansion of Phthalic Anhydride (PA-5 unit) is on track and production is expected to commence before March 2024
- The Company proposes to venture into bio-fuels such as Compressed Biogas (CBG), Ethanol, and its derivatives etc.
- The Company plans to set up biomass/ agro-products to Compressed Biogas plants to maximize India's CBG potential

Contribution From Non – PAN* Business



Increasing share From Non- Phthalic Anhydride Business



*Non Phthalic Anhydride (PAN) Business includes - Maleic Anhydride (MAN), Benzoic Acid (BA), Diethyl Phthalate (DEP) & Others
DEP facility commercialized in November 2021

Moving Towards Green Energy



Acquisition of I G Biofuels Limited (IGBL)

To Manufacture Bio-fuels

- The Company proposes to venture into bio-fuels such as Compressed Biogas, Ethanol and its derivatives etc.
- The Company plans to set up biomass/agro-products to CBG plants and further utilize the existing potential of CBG to maximize India's CBG potential

Company Background

- IGBL was incorporated in India as a Public Company limited by shares on 24th April, 2023 and is yet to commence business

Value Proposition

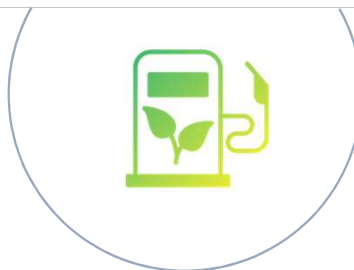
- Opportunity to become a strong player in the Indian Bio-fuel market
- Increase market share and profitability, thereby maximizing value for all stakeholders

Key Rational for IGPL

- Long-term sustainable business opportunity
- To suffice demand–supply gap
- Derisk & Diversified client base
- Diversified product portfolio

Ethanol Blended Petrol Program (EBP)

- Govt. of India notified under EBP program, an indicative target of 20% blending of ethanol in petrol by 2030
- To nurture environmental–friendly fuel



Benefits of Bioethanol

- Part of Green Evolution
- Renewable, Non Toxic resource & Biodegradable
- Reduce Greenhouse gas emission
- Reduce Air Pollution
- Reduce dependence on imported crude oil

Profit & Loss Statement



Particulars (Rs. Crs)	Q4 FY23	Q4 FY22	Y-o-Y	FY23	FY22	Y-o-Y
Total Revenue^	610.9	519.1	17.7%	2,374.6	1,891.9	25.5%
Raw Material	475.4	335.8		1,781.7	1,239.7	
Employee Expenses	21.1	18.5		81.7	75.1	
Other Expenses	45.0	49.7		171.1	161.3	
EBITDA	69.5	115.1	-39.6%	339.9	415.7	-18.2%
EBITDA Margin (%)	11.4%	22.2%		14.3%	22.0%	
Depreciation	12.2	11.5		47.4	44.3	
EBIT	57.3	103.6		292.5	371.4	
EBIT Margin (%)	9.4%	20.0%		12.3%	19.6%	
Finance Cost	6.5	3.5		23.9	12.9	
Exceptional Items	0.0	0.0		0.0	0.0	
Profit Before Tax	50.8	100.1		268.6	358.5	
Tax	12.6	26.4		68.3	91.8	
Profit After Tax	38.2	73.6	-48.1%	200.3	266.7	-24.9%
PAT Margin (%)	6.3%	14.2%		8.4%	14.1%	
EPS (in Rs.)	12.41	23.91		65.05	86.60	

Balance Sheet



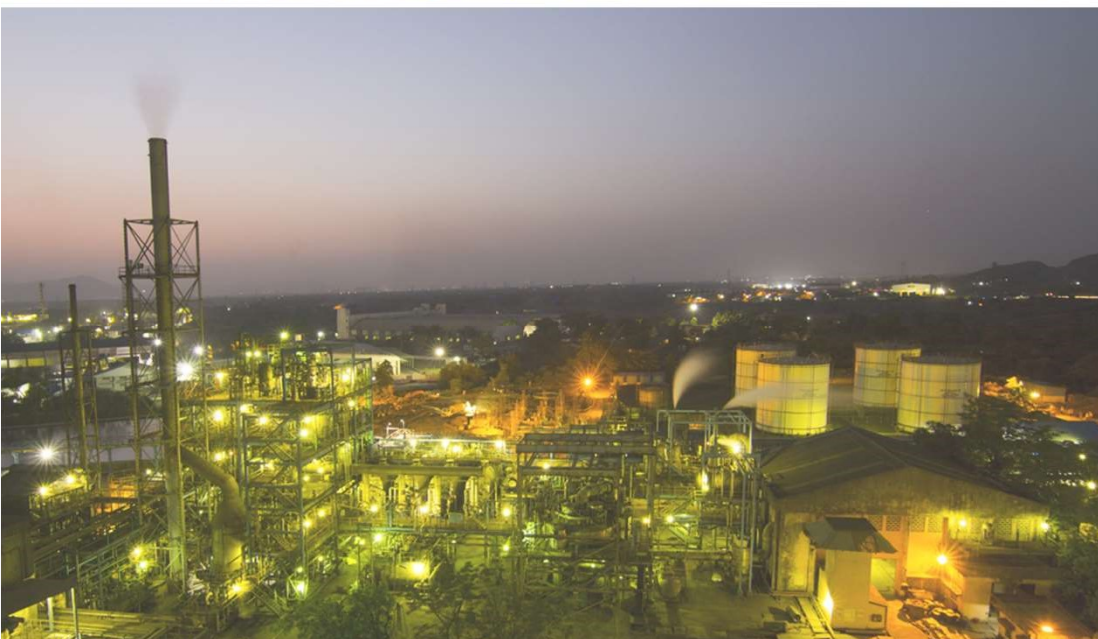
Particulars (Rs. Crs)	Mar- 23	Mar - 22
Equity		
Equity Share Capital	30.8	30.8
Other Equity	1,199.8	1,030.3
Total Equity	1,230.6	1,061.1
Non-Current Liabilities		
Financial Liabilities		
Borrowings	169.2	114.3
Lease Liabilities	3.9	0.2
Other Liabilities	0.0	0.0
Provisions	4.6	4.3
Deferred Tax Liabilities (Net)	85.3	77.8
Total Non-Current Liabilities	263.1	196.6
Current Liabilities		
Financial Liabilities		
Borrowings	43.0	22.4
Trade Payables	370.9	295.0
Other Financial Liabilities	24.9	19.7
Other Current Liabilities	14.8	17.5
Provisions	0.9	2.1
Lease Liabilities	1.2	0.1
Total Current Liabilities	455.7	356.7
Total Equity and Liabilities	1,949.4	1,614.4

Particulars (Rs. Crs)	Mar- 23	Mar - 22
Non-Current assets		
Property, Plant and Equipment	709.7	733.4
Capital Work-In-Progress	232.3	18.1
Goodwill	2.0	2.0
Other Intangible Assets	0.3	0.1
Right use of assets	4.7	0.2
Investment Property	0.5	0.5
Financial Assets		
Investments	162.2	50.9
Loans	1.2	41.3
Other Financial Assets	2.6	39.8
Non-Current Tax Assets	16.8	13.2
Other Non-Current Assets	19.4	23.0
Total Non-Current Assets	1,151.8	922.6
Current Assets		
Inventories	164.9	152.1
Financial Assets		
Investments	106.5	72.5
Trade Receivables	324.5	346.8
Cash and Cash Equivalents	10.8	6.2
Bank Balances	167.4	101.5
Loans	0.9	0.6
Other Financial Assets	5.9	3.6
Other Current Assets	16.7	8.5
Total Current Assets	797.6	691.8
Total Assets	1,949.4	1,614.4

Cash Flow Statement



Particulars (Rs. Crs)	Mar-23	Mar-22
Net Profit Before Tax	268.6	358.5
Adjustments for: Non-Cash Items / Other Investment or Financial Items	53.4	46.4
Operating profit before working capital changes	322.0	405.0
Changes in working capital	-27.1	-217.2
Cash generated from Operations	294.9	187.7
Direct taxes paid (net of refund)	61.3	78.8
Net Cash from Operating Activities	233.6	109.0
Net Cash used in Investing Activities	-249.3	-98.1
Net Cash from / (used in) Financing Activities	20.6	-18.8
Net Increase / (Decrease) in Cash and Cash equivalents	4.9	-7.9
Add: Cash & Cash equivalents at the beginning of the period	-0.5	7.5
Cash & Cash equivalents at the end of the period	4.4	-0.5



Company Overview

Company Snapshot



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*
Manufacturer

> 50% Domestic Market Share of
PAN*

PAN* Capacity **2.22 Lakh MTPA**

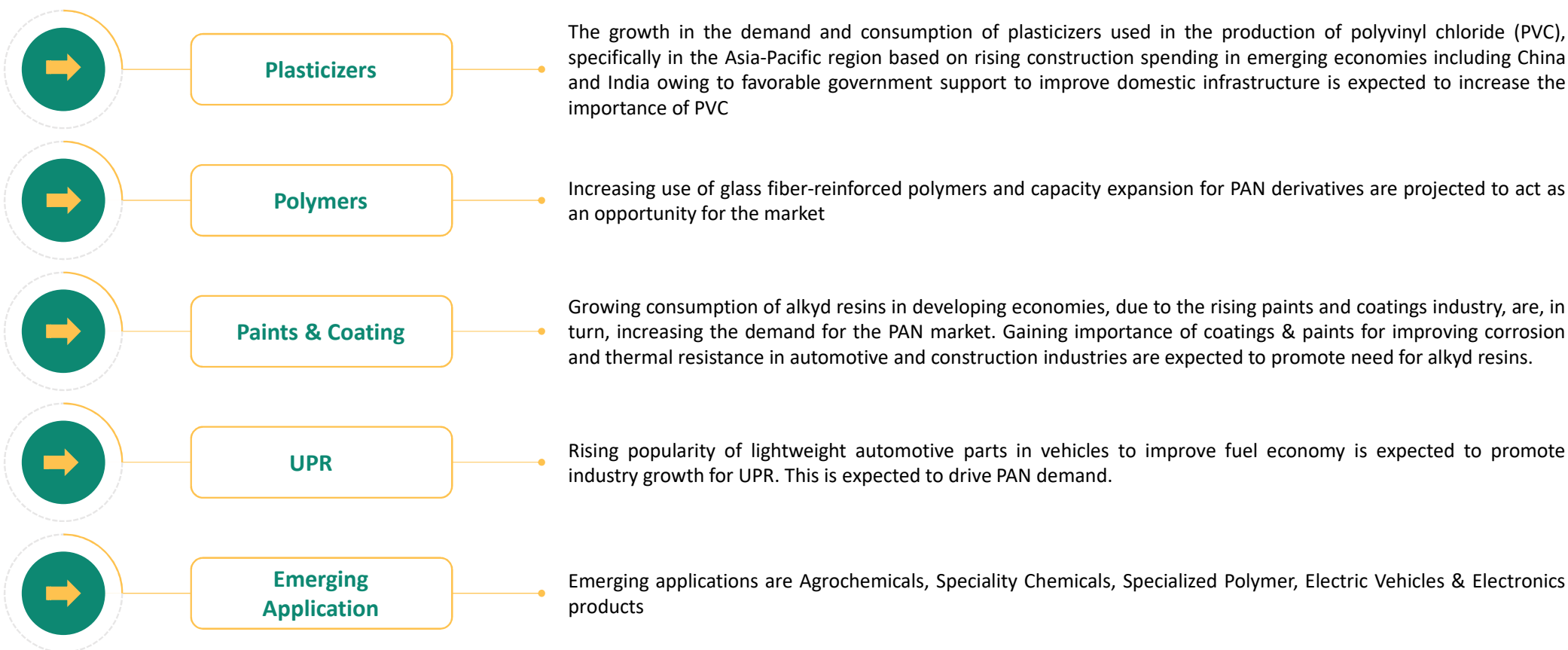
ISO Certified
9001:2015
14001:2015

*PAN - Phthalic Anhydride, MAN - Maleic Anhydride

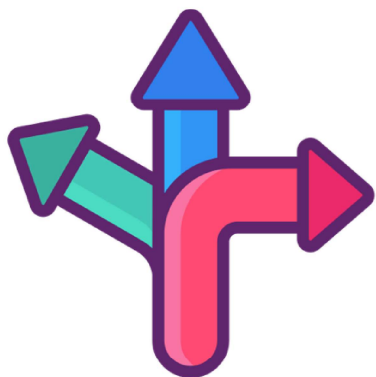
Phthalic Anhydride Overview



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 – 2,22,110 MTPA
- › Maleic Anhydride – 7,660 MTPA
- › Benzoic Acid – 1,000 MTPA
- › Diethyl Phthalate – 8,400 MTPA

Benzoic Acid

Downstream
Speciality
Derivatives

Maleic Anhydride

Diethyl Phthalate
(DEP – Advance Plasticizers)

Biofuels such as
compressed biogas,
ethanol etc.

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



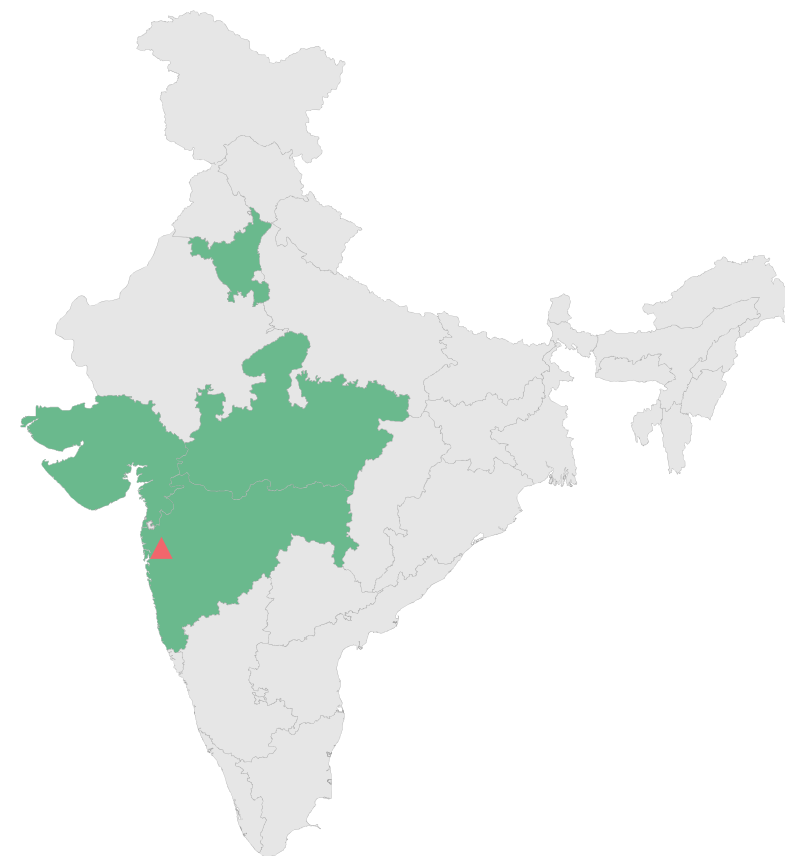
The Company has a distinct sourcing and selling advantage due to its strategic location in the **Western Chemical Belt of India**



A leading PAN manufacturer in India and the global market



The plants are well connected with **road & port facilities.**



▲ IGPL Plant at MIDC - Taloja, Maharashtra

■ Chemical Belt of Western India

Map not to scale. All data, information and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness.

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 (DEP)



Incense Stick



Perfume



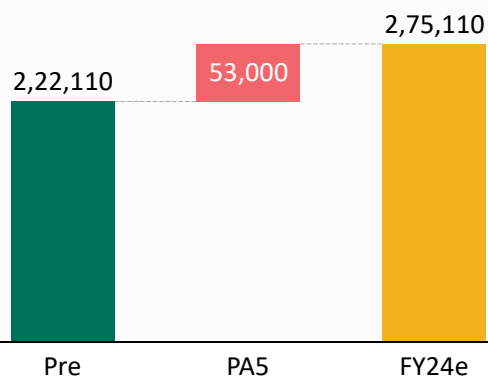
Personal Care

~9%
Export
Business

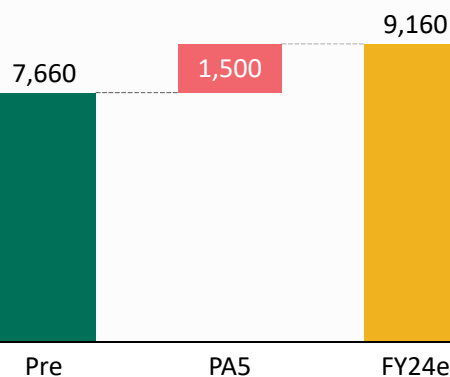
High Focus on Capacity Expansion

Capacity Post PA 5 Expansion (MTPA)

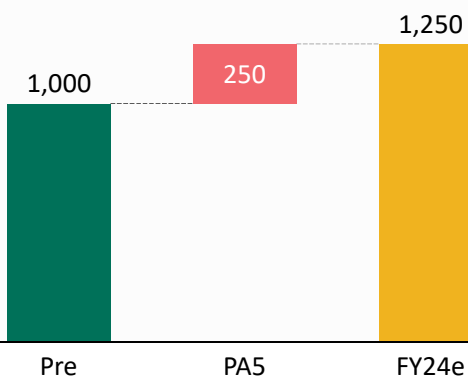
Phthalic Anhydride



Maleic Anhydride



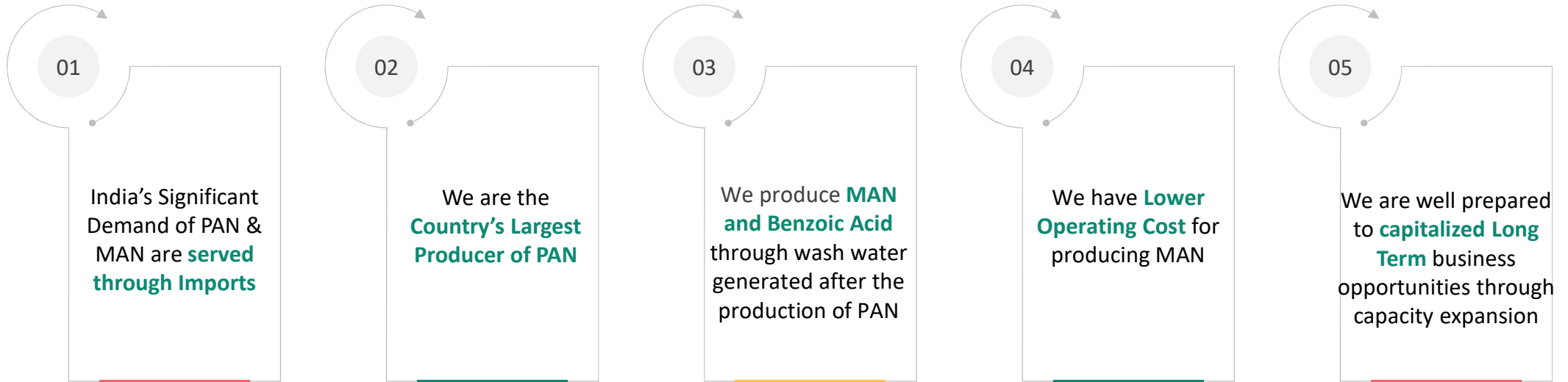
Benzoic Acid



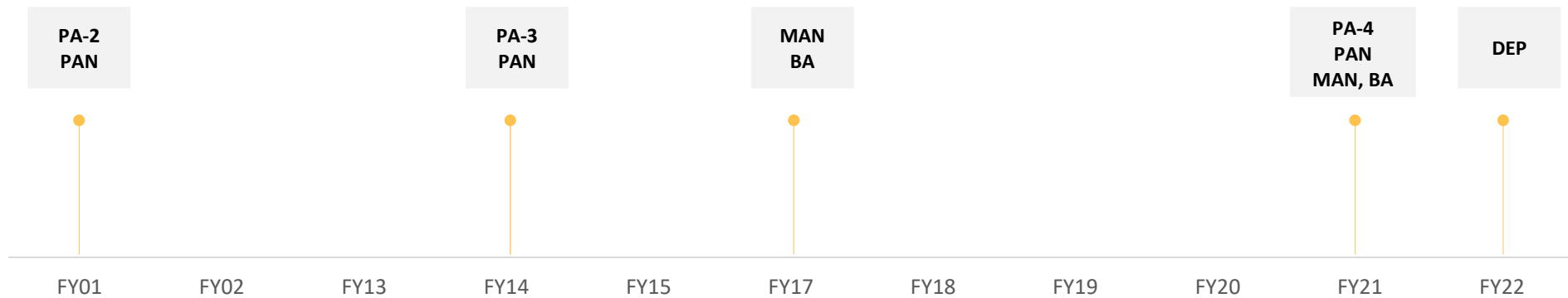
PA 5 Plant (Brownfield Expansion)

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

Sustainable Business Model



Capacity Added Over The Last 2 Decades



Led by Healthy Demand



Paints & Resins



Plasticizers



Specialty Chemicals



Medical Device



Synthetic Leather



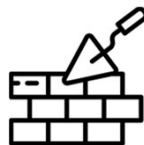
Lubricants



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

Sustainability of Operations

ETP

- A full-fledged Effluent Treatment Plant (ETP) to treat all types of effluent generated from manufacturing plants
- Segregated effluent streams like low COD streams & High COD/TDS streams
- A centrifuge and filter press to treat hazardous waste/sludge in a disposable manner



Various Initiatives For Sustainability of The Business

- | | |
|---|---|
| <ul style="list-style-type: none">• Preventing and controlling pollution• Maintaining an eco-friendly environment | <ul style="list-style-type: none">• Disposing of inevitable wastes in an environmentally friendly manner |
| <ul style="list-style-type: none">• Enhancing environmental awareness amongst all our staff, workmen, suppliers, visitors and other stakeholders | <ul style="list-style-type: none">• Various Initiatives for the conservation of key resources like water, energy, fuel |
| <ul style="list-style-type: none">• Setting up of solar power plant at our factory location | <ul style="list-style-type: none">• Recycle and reuse packing bags returned by our customers in consideration of monetary incentives offered to them |

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 41 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 45 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

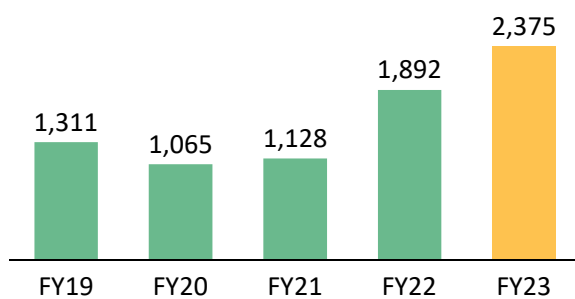


Financial Highlights

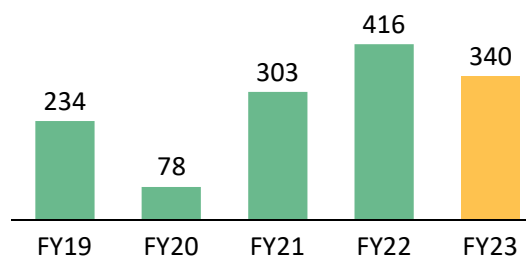
Financial Trends



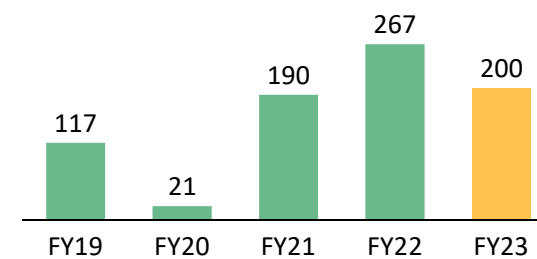
Total Revenue ^ (Rs. Crs)



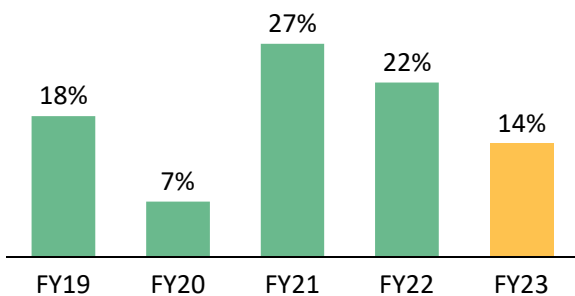
EBITDA ^ (Rs. Crs)



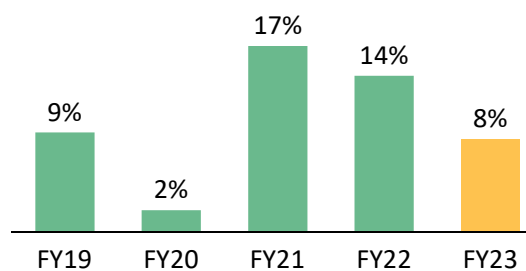
PAT (Rs. Crs)



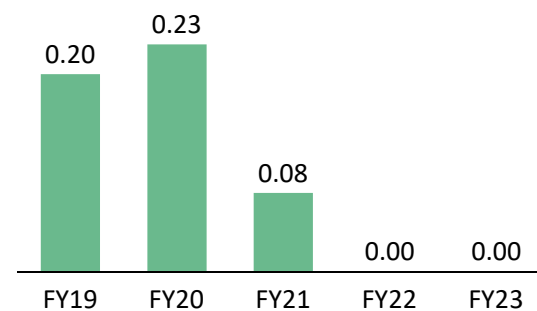
EBITDA Margin (%)



PAT Margin (%)



Net Debt/ Equity (x)



On Standalone Basis

^ Includes Other Income

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 set-up Downstream Derivatives plant of
PAN and evaluate opportunities in Green
Energy based Biofuels such as Compressed
Biogas, Ethanol and its derivatives etc.

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

Phthalic Anhydride

Non-PAN &
Downstream Derivative Business



**Thank
You**

For further information, please contact



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