



31st
2019-20 | **ANNUAL
REPORT**

A photograph of a large industrial facility, likely a refinery or chemical plant, featuring tall distillation columns, complex piping, and storage tanks under a clear sky.

READ INSIDE

Date : 26th August, 2020

Time : 3:00 p.m.

Mode: Video Conference /
Other Audio
Visual Means

BUSINESS OVERVIEW

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FINANCIAL SECTION

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IGPL IS THE COUNTRY'S LARGEST PHTHALIC ANHYDRIDE (PAN) MANUFACTURER

IGPL is the largest producer of PAN in India, and will be the largest single location facility for manufacturing of PAN in the world with commissioning of its expansion projects during the current financial year. With its presence in the PAN business spreading over three decades, IGPL has been recognized as a reliable and trusted player in the PAN market, both in global and domestic markets. IGPL is also one of the lowest cost producer of PAN globally.



ISO 9001:2015
Quality Management

ISO 14001:2015
Environment certification
from Bureau Veritas

IGPL has state of the art manufacturing facilities for Phthalic Anhydride and its by-products... proximity to port and chemical belt in western India.

Six-Sigma Quality control processes and ERP Systems across the Organization



Credit Ratings

“IND A+”- Long term borrowings and

“IND A1+” - Short term borrowings - Issued by India Ratings & Research

BUSINESS OVERVIEW

VISION

"To be well diversified chemicals Company with leadership position in Phthalic Anhydride Industry"

PHTHALIC ANHYDRIDE

The Company's primary business is the production of Phthalic Anhydride (PAN), a downstream product of Orthoxylene (Ox). Ox, which is the third derivative of crude oil, constitutes the single and major raw material in the production of PAN. PAN is a versatile intermediate in organic chemistry having a wide range of applications. It constitutes important industrial chemical for the production of Plasticizers, Unsaturated Polyester Resins, Alkyd Resins, Paints and CPC Pigments. PAN is also being innovatively used for making Plastic Currency, Paper Boards, Leisure Boats and Sail of Windmills.

MALEIC ANHYDRIDE

The Company manufactures Maleic Anhydride (MAN) and Benzoic Acid for which the primary raw material is the wash water which is again generated from and derived after the production of PAN.

MAN is a chemical intermediary used for manufacturing unsaturated polyester resins, coatings, surfactants, used as an additive of plastics, lubricating oil additives and agricultural chemicals etc.

The Company is the only manufacturer of MAN in India and will soon add Advance Plasticizer to its product offerings.





END USER INDUSTRY

The key end-user industries where PAN find its applications

Manufacturing of poly vinyl chloride (PVC) products

Manufacturing of paints and coatings

Making inks and photovoltaic cells

Manufacturing of fiberglass reinforced plastics for automobile, construction.

THE MALEIC ANHYDRIDE END-USER INDUSTRY

Spandex

Unsaturated Polyester Resins

Lubricating oil additives



FINANCIAL INSIGHTS

₹ in crores, except EPS

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Total Revenue (Net)	956.41	1,040.80	1,148.19	1,311.28	1064.98
Gross Profit / EBITDA	116.92	171.63	271.42	233.70	78.22
Finance Cost	22.67	18.24	14.88	11.43	15.95
Depreciation & Amortisation	17.54	21.12	25.70	26.54	29.90
Profit Before Tax	76.71	132.27	230.85	186.30	32.07
Tax Expense	16.35	30.33	84.30	69.82	11.03
Profit After Tax	60.36	101.94	146.54	116.48	21.04
Equity Share Capital	30.79	30.79	30.79	30.79	30.79
Net Worth	291.76	392.51	528.10	628.73	634.11
Earnings Per Share (EPS) of ₹10/- each	19.60	33.10	47.58	37.82	6.83

MANAGING DIRECTOR'S LETTER

At the outset, I hope you and your family are safe. We are indeed living through very unusual times. Your Company faced challenging business environment throughout the year and at the end of year Covid-19 pandemic has had impacted business and Indian economy as a whole. Our immediate focus was to mobilize the efforts to protect our employees and our immediate communities and also ensure seamless restart of our plants with utmost care and precautions to ensure safety and security for all stakeholders.

Adversity, they say, is the true test of character. Your Company sustained itself through various business cycle and rise against all the odds. It was in the final days of the year that the true nature of its purpose-driven worldview truly shone through. Even amidst this difficult environment and declining margins, your company sailed through and rise much stronger due to strong fundamentals, minimal leverage, diversified product lines and excellent clients and supplier's relations, among other things.

Our strategically located plant enjoys the advantage of not only being close to ports, but also proximity to India's chemical hub. Adding to this is your



Nikunj Dhanuka,
Managing Director & CEO

Company's state of the art and integrated manufacturing facility, at a single location. We are adding more than 30% of capacity in our all product facilities PAN, MAN and BA in mid of current financial year 2020-21. With commencement of new lines, we will be one of largest producers of PAN in the world. We believe that the global supply disruptions and the impetus offered by the 'Aatm Nirbhar' movement, both provide great opportunities for growth. Your Company is equipped to take advantage of this with the largest capacity of PAN at a single location in the world. To gradually reduce reliance on a single product, your Company has also entered into the downstream industry of advance plasticizers furthering its goal of diversification as laid out in it's vision of "To be a well-diversified chemical company with leadership position in Phthalic Anhydride Industry". We have set up effluent treatment plant to enable our entire Taloja facilities to be a zero discharge facility. We continue to be strive for better environment and best practices for health and safety of our employees.

Gross domestic product (GDP) grew 5% in the first quarter of FY20, India's growth for Q4FY20 went down to 3.1% according to the Ministry of Statistics. What is next for India? This is a looming question gripping the country but we have every reason to believe there's light aplenty at the end of this tunnel. Every sector will have to reinvent itself to survive in a post-Covid-19 world order. Countries, too, must reimagine their contribution to a world that's likely to be radically different from the one we've known thus far. The

government has announced stimulus package, however, recovery in economy activities, creation of jobs, building confidence among customers will take time, patience and consistent efforts from both, Industry and Government.

Our approach to the pandemic was centred around four key actions points like safety of our employees, communities, partners and assets, rapid pivot to digital to ensure business continuity, conservation of cash through cost control, working capital, capex rationalization and ensuring continuous support to our customers and supply chain partners. Amidst a crisis like this shines the true financial strength of a company like yours. We have cleared all dues in time & has not sought for any deferment of debt or interest.

While external parties must be dealt with utmost care, so must our most important asset – our employees. The health and safety of all employees was given paramount importance with seamless working from home facilities and ERP implementation. At this point of time, all our plants are operational. I take this opportunity to thank our teams for their resilience and agility. While this pandemic has impacted economic activity, we are confident of emerging much stronger as we come out of this challenge with flying colours.

Yours sincerely,

Nikunj Dhanuka,

Managing Director & CEO

KEY FINANCIAL NUMBERS



TOTAL REVENUE

₹ crores

2015 - 16	<div><div></div></div>	956.41
2016 - 17	<div><div></div></div>	1,040.80
2017 - 18	<div><div></div></div>	1,148.19
2018 - 19	<div><div></div></div>	1,311.28
2019 - 20	<div><div></div></div>	1,064.98

EBIDTA

₹ crores

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