



# IGPL

# ANNUAL REPORT

## 2020-2021

## 32<sup>nd</sup> AGM

Date : 23<sup>rd</sup> July, 2021

Time : 3:00 p.m.

Mode : Video Conference /

Other Audio

Visual Means

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# READ INSIDE



The background of the slide features a photograph of industrial distillation columns at a chemical plant. The columns are tall, cylindrical structures with multiple levels of platforms and ladders. They are surrounded by a complex network of pipes, valves, and structural steel. The sky is clear and blue. The text 'KEY UPDATES' is overlaid on the left side of the image.

# KEY UPDATES

- In December 2020, we successfully commissioned our PA4 plant with an additional capacity of 53,000 MTPA. With this, IGPL has become the largest producer of PAN at a single location.
- The expanded capacity has given fresh impetus to growth trajectory of the Company, the full benefits of which will be visible in the coming years.
- The newly set-up Effluent Treatment Plant (ETP) facility has enabled the Company to achieve a partial Zero Liquid Discharge (ZLD) and soon expects to reach complete ZLD.
- IGPL has been able to expand its core business creating substantial value for its stakeholders.



A photograph of a large industrial facility, likely a chemical plant, featuring extensive piping, storage tanks, and structural steel. The scene is brightly lit, with a warm orange glow. A large, horizontal, cylindrical storage tank is prominent in the foreground on the right. A large, curved pipe runs across the upper middle of the frame. The background shows more industrial structures and a clear sky.

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

We are the largest producer of PAN at single location in the world

## **ISO 9001:2015**

Quality Management system

## **ISO 14001:2015**

Environment certification  
from Bureau Veritas

# COMPETITIVE STRENGTH

Business Intelligence is critical to identify future trends. Our experienced management team continuously improves efficiency, sees new opportunities and delivers our customers expectations of the future.



Our state of the art manufacturing facilities, licensed from Lurgi GmbH, are strategically located at **Taloja, Maharashtra** in close proximity to multiple ports and the chemical belt in western India

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

100% energy requirements met through captive power plants



## LEADING AND LOWEST COST PRODUCER OF PAN

The Credit Ratings of the Company are

**“IND A+”** - For long term borrowings and

**“IND A1+”** - For short term borrowings - Issued by India Ratings & Research.



# BUSINESS OVERVIEW

The Company's main business revolves around Phthalic Anhydride, a downstream product of Orthoxylene which in turn is a third derivative of crude oil. It is a versatile intermediate in organic chemistry for production of Plasticizers, Unsaturated Polyester Resins, Alkyd Resins, Paints and CPC Pigments which are broadly used in the manufacturing of:

- Poly vinyl chloride (PVC) products
- Inks and photovoltaic cells
- Paints and coatings
- Fiberglass reinforced plastics for automobile, construction

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IGPL produces Maleic Anhydride (MAN) and Benzoic Acid through wash water generated from and derived after the production of PAN and is used in agro and food businesses. MAN is a chemical intermediary primarily used in:

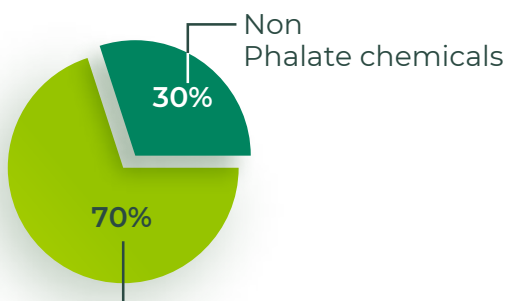
- Production of unsaturated polyester resin
  - Plastics, lubricating oil additives and agri chemicals
  - Coating, pharmaceuticals and surfactants
-



# FUTURE GROWTH

The Company has initiated a Greenfield Expansion of Phthalic Anhydride & its Derivatives up to 80,000 MTPA. The project cost is estimated to be Rs. 600 crores.

The downstream product i.e. Advance Plasticizer with a capacity of 8,400 MTPA is expected to come on stream during the current year at a total cost of Rs. 30 crores.



Phthalic Anhydride



# VISION

“ To be well diversified Chemicals Company with leadership position in the Phthalic Anhydride industry ”



# FINANCIAL REVIEW

IGPL reported a strong financial growth, increased cash flow and is on the cusp of taking the leap onto the next level. This is evident from the new project which is being planned. The financial performance reflects our resilience in managing the opportunities well. Leveraging the three decades of strong presence in the industry and the brand image will help the Company to pursue further opportunities in the segment.

PARTICULARS	2016-17	2017-18	2018-19	2019-20	2020-21
Total Revenue (Net)	1,040.80	1,148.19	1,311.28	1064.98	1,128.36
Gross Profit / EBITA	171.63	271.42	233.70	78.22	303.33
Finance Cost	18.24	14.88	11.43	15.95	14.56
Depreciation & Amortisation	21.12	25.70	26.54	29.90	34.10
Profit Before Tax	132.27	230.85	186.30	32.07	254.67
Tax Expense	30.33	84.30	69.82	11.03	64.54
Profit After Tax	101.94	146.54	116.48	21.04	189.51
Equity Share Capital	30.79	30.79	30.79	30.79	30.79
Net Worth	392.51	528.10	628.73	634.11	818.11
Earnings Per Share (EPS) of ₹10/- each	33.10	47.58	37.82	6.83	61.54

₹ in crores, except EPS



# MANAGING DIRECTOR'S LETTER

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Dear Shareholders,

We are pleased to present to you our Thirty Second Annual Report for the Financial Year (FY) 2020-21. As we close another exciting and challenging year at IGPL, I would like to take this opportunity to thank all of you, who are an integral part of our business and have contributed in significant measure to our progress. Despite a difficult economic environment, we registered historic growth in profits while delivering enhanced value to our wide array of consumers and communities at large.

When confronted with unprecedented challenges, great companies find a way to persevere through. They do it by constantly challenging the status quo and striving for even greater levels of excellence. They never stop learning, instead asking the hard questions and adapting. They are constantly in motion, anticipating the next challenge or opportunity, staying nimble even as they scale. The Covid-19 pandemic has given rise to newer ways of doing business and accelerated the pace of digitalisation, with an increased focus on sustainability and resilience. In this context, keeping employees safe, ensuring agile servicing of customer demand and robust operating cash



**Nikunj Dhanuka,**  
Managing Director & CEO

flows were the three key priorities we set for ourselves for FY 2020-21.

We implemented our Business Continuity Plan aimed at ensuring health and protection to all our employees while adhering to the guidelines provided by the Government authorities. Amidst the lockdown and surge in Covid-19 cases in the country, we commissioned our Phthalic Anhydride (PA- 4) plant in the 3rd quarter along with additional Maleic Anhydride & Benzoic Acid capacities. Our timing has been serendipitous as the Hon'ble Prime Minister has recently given a clarion call for 'Atmanirbhar Bharat' or Self-reliant India. With the new PA-4 capacity operating at more than 90% capacity and the new downstream plasticizer plant coming up as per its scheduled timeline, IGPL has validated its scale of commitment and is on its path of achieving its vision of becoming a well- diversified chemical company with a leadership position in PA industry.

During the year under review, your company registered total revenue of ₹ 1,128 crores, EBITDA of ₹ 303 crores and PAT of ₹ 190 crores. On the back of the robust performance during the year, the Board of Directors have recommended a Dividend of ₹ 7.50 per equity share (75%).

We will continue to focus on delivering profitable growth alongside calibrated expansion, timely project execution and operational excellence. We are making continuous investments in our productive assets, and our growth

plans are also being formulated, bearing in mind our focus on efficient allocation of capital. We have the talent, the vision and the conviction. Together, let's use them to continue building a rewarding future.

We have embarked our expansion plans in view of demand growth in downstream derivatives and GOI continuous focus on building Indian infrastructure. We wish to diversify our product portfolios by getting into other downstream derivatives and other speciality chemicals to achieve our vision of 2025 to have at least 30% of our revenue from non phthalic products.

As I conclude this letter, I would like to thank all our stakeholders, customers, employees, partners, vendors, bankers, government, communities and most importantly you – our shareholders, who have been part of this exciting journey. As always, we are committed to deliver value to you and we appreciate your support.

Yours sincerely,  
**Nikunj Dhanuka,**  
Managing Director & CEO