



# I G PETROCHEMICALS LIMITED

7<sup>th</sup> February, 2019

**BSE Limited**  
Corporate Relationship Department  
1<sup>st</sup> Floor, P J Towers  
Dalal Street  
Mumbai - 400 001

**Scrip Code: 500199**

**The National Stock Exchange of India Ltd.**  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (East)  
Mumbai - 400 051

**Scrip Code: IGPL**


Dear Sir,

**Sub : Press release – unaudited financial results for the quarter ended 31<sup>st</sup> December, 2018**

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith a copy of the press release issued by the Company in respect of the unaudited financial results for the quarter ended 31<sup>st</sup> December, 2018.

Kindly take the same on records.

Yours faithfully,  
for I G Petrochemicals Limited

  
Sudhir R Singh  
Company Secretary



Encl : as above

# I G Petrochemicals Limited

**Investor Release: 7<sup>th</sup> February 2019, Mumbai**

I G Petrochemicals Limited, Numero Uno Indian manufacturer of Phthalic Anhydride (PAN) has declared its Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2018

## Highlights of 9M FY19

- **Total Revenue** increased by 19% to Rs. 996 crores compared to Rs. 834 crores for 9M FY18
- **Volumes:**
  - ✓ PAN stands at 1,16,272 metric tonnes compared to 1,14,958 metric tonnes for 9M FY18
  - ✓ MA stands at 3,296 metric tonnes compared to 2,685 metric tonnes for 9M FY18
- **EBITDA** for 9M FY19 stood at Rs. 195 crores; EBITDA Margins at 19.6%
- **Profit after Tax** stands at Rs. 98 crore; PAT Margins at 9.9%

## Highlights of Q3 FY19

- **Total Revenue** increased by 7% to Rs. 318 crores compared to Rs. 296 crores for Q3 FY18
- **Volumes:**
  - ✓ PAN stands at 37,296 metric tonnes compared to 40,832 metric tonnes for Q3FY18
  - ✓ MA stands at 1,035 metric tonnes compared to 968 metric tonnes for Q3 FY18
- **EBITDA** for Q3 FY19 stood at Rs. 36 crores; EBITDA Margins at 11.3%
- **Profit after Tax** stands at Rs. 18 crores; PAT Margins at 5.5%
- The market has witnessed sharp increase in Raw material (OX) prices due to volatility in crude prices and increase in paraxylene (PX) prices while the Phthalic Anhydride (PAN) prices remained stagnant which has impacted overall EBITDA margin and profitability of the company for quarter ended December 2018.
- The volatility in the crude prices impacted the demand in short term as customers started de-stocking inventories and postponed the buying decision till stabilization in commodities' prices.
- The company has taken a shutdown of 21 days for the change of catalyst; 10 days in Q2 FY19 and 11 days in Q3 FY19.

**Commenting on the results and performance, Mr. Nikunj Dhanuka, Managing Director & CEO said:**

*“We are pleased to announce that our Company has demonstrated excellent operating performance for the quarter even in tough market conditions. We have the best in class recovery processes and operational excellence which helps us sustain our performance in spite of increase in Orthoxylene prices globally.*

*During the quarter, we witnessed volatility in Crude oil prices, slowdown in China and South East Asia led by US- China trade war. We feel that the last quarter was an aberration and business is coming back to normalcy and prices of raw material have stabilized and gradual recovery and increase in demand is expected.*

*With expansion coming on-stream, along with our efforts of improving operating efficiencies we are confident of delivering better performance.”*

#### **Future Outlook**

- *Long Term demand for PAN remains intact. However, the short term slowdown in Q3 FY19 was mainly due to volatility in crude prices*
- *With crude prices stabilizing, the demand is expected to come to normalcy*
- *Prices of Ox have started stabilizing in the current quarter leading to positive impact on our margins*
- *We expect long term Margins to be healthy on back of increased demand from domestic players leading to operating leverage playing out and improved spreads due to correction in raw material prices*

## **Industry Outlook**

- *India is one of the largest and fastest growing country, and has a very strong consumption oriented economy which makes it attractive for long term growth prospects*
- *In India PAN demand has been growing, owing to the government's increased focus and expenditure on infrastructure and housing development. Asia Pacific is anticipated to witness the fastest-paced capacity increase in the medium term*
- *As far as the balance between supply and demand is concerned, the market is forecasted to remain in a state of undersupply in the coming years*

## **Expansion Project Status**

- *A Brownfield Expansion is underway of Phthalic Anhydride (PA 4) by 53,000 MTPA which would take our total capacities post expansion to ~2,22,110 MTPA. We expect to commence the production from PA4 by December 2019. The company has spent Rs. 125 crores as on 31st December, 2018*
- *Expansion into Advance Plasticisers (~8,400 Tonnes) to come on stream by FY 2020, which will lead to overall 8% diversification from the existing product mix, 4 % by way of Plasticizers and 4% by way of MA and BA*

## About I G Petrochemicals Limited

I G Petrochemicals Limited is the largest manufacturer of Phthalic Anhydride (PA) in India. It is one of the Lowest Cost producer of Phthalic Anhydride globally. 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 Polyester Resins, Alkyd Resins & Polyols. PA is used in a variety of application in both consumer durables to non consumer durables. Applications for PA are increasing rapidly, driven by new Research & Innovation. The company has 3 manufacturing facilities at a single location at Taloja in Maharashtra.

## Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

**For further information, please contact**

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