

**Independent Auditors' Report – For the quarter ended 30.6.2013**

**To:**  
**The Board of Directors**  
**I G PETROCHEMICALS LIMITED**  
T-10, 3<sup>rd</sup> Floor, Jairam Complex,  
Mala, Neugi Nagar,  
Panaji, Goa-403 001

1. We have reviewed the accompanying statement of Unaudited Financial results of I G Petrochemicals Limited ("the Company") for the quarter ended 30.06.2013 (the Statement), except for disclosures regarding "Public Shareholding" and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our report, we draw attention to certain excise / custom demands amounting to Rs.7672.89 Lacs which are under appeal before the Hon'ble Supreme Court . We have been informed by the management that based on the past decisions of the Supreme Court and other interpretations of the relevant provisions, the Company has been legally advised by eminent Counsel that the matter will be in favour of the Company.

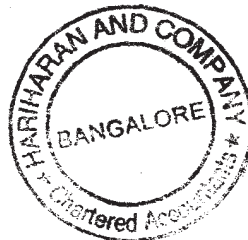


(2)

4. Based on the information and explanations provided to us by the Management, we report that the Company has been with effect from April 01, 2006, providing depreciation on Plant and Equipments installed in Phthalic Anhydride Plant -2 based on the balance useful life of the assets as determined by approved valuer instead of providing depreciation at the rates specified in Schedule XIV of the Companies Act, 1956. This had caused us to qualify our statutory audit report for the year ended March 31, 2013. As a result, depreciation charge for the quarter is lower by Rs.93.27 Lacs / disputed Foreign exchange liabilities which has not been converted as on 30.6.2013, due to this the Exceptional item charged is lower by Rs. 426.42 lacs. Had the impact of above been considered the Net Loss for this quarter of Rs.655.16 lacs would result into Net Loss of Rs.1174.85 Lacs. Accumulated depreciation lower charged as at 30th June 2013 is Rs.1924.18 Lacs,
5. Based on our review conducted as above, subject to the effect of our observations in para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" (notified pursuant to the Companies (Accounting Standard, Rules, 2006) (as amended) and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed or that it contain any material misstatement.

**HARIHARAN & CO.**  
Chartered Accountants  
Firm's Registration No.001083S

  
**K.NAGARAJAN**  
Partner  
Membership No.16398



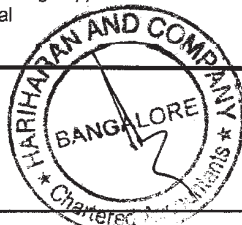
Place: Mumbai

Date: 12.08.2013



# IG Petrochemicals Limited

Part I					UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE'2013				(RS.IN LACS)
SR. NO.	PARTICULARS	QUARTER ENDED			FOR THE YEAR ENDED				
		30/06/2013	31/03/2013	30/06/2012	31/03/2013				
				UNAUDITED	AUDITED				
1	<b>Income from operations</b>								
	(a) Net Sales / Income from Operations ( Net of excise duty )	24,432.96	23,916.13	23,350.12	97,033.91				
	( b ) Other Operating Income	-	-	-	-				
	<b>Total Income from Operations ( Net )</b>	<b>24,432.96</b>	<b>23,916.13</b>	<b>23,350.12</b>	<b>97,033.91</b>				
2	<b>EXPENSES</b>								
	a ) Cost of Materials Consumed	20,662.90	19,626.41	18,838.55	82,994.86				
	b ) Purchases of Stock-in-Trade	-	-	-	-				
	c ) Changes in Inventories of Finished Goods & Work-in-Progress	703.01	1,769.98	382.69	(622.07)				
	d ) Employees Benefits Expense	610.60	604.20	456.70	2,444.14				
	e ) Depreciation and Amortisation Expense	300.00	264.57	358.25	1,375.02				
	f ) Other Expenses	1,633.73	1,401.86	2,310.96	6,548.27				
	<b>Total Expenses</b>	<b>23,910.24</b>	<b>23,667.02</b>	<b>22,347.15</b>	<b>92,740.22</b>				
3	<b>Profit from Operations before Other Income , Finance Costs and exceptional item</b>	522.72	249.11	1,002.97	4,293.69				
4	Other Income	201.36	269.22	76.50	528.37				
5	<b>Profit from Ordinary activities before Finance Costs and exceptional item</b>	724.08	518.33	1,079.47	4,822.06				
6	Finance Cost	419.51	312.84	431.84	1,667.30				
7	<b>Profit from Ordinary activities after Finance Costs but before exceptional item</b>	304.57	205.49	647.63	3,154.76				
8	Exceptional item ( Refer Note No. 4 below )	959.73	-	-	-				
9	<b>Profit / ( Loss ) from ordinary activities before extra ordinary item</b>	(655.16)	205.49	647.63	3,154.76				
10	Extraordinary item - Depreciation relating to earlier years	-	2,765.78	-	2,765.78				
11	<b>Profit / ( Loss ) from ordinary activities before tax</b>	(655.16)	(2,560.29)	647.63	388.98				
12	<b>Tax Expense</b>								
	Current Tax - MAT	-	(524.45)	132.66	79.68				
	Tax Provision for earlier year	-	1.41	-	1.41				
13	<b>Net Profit / ( Loss ) from ordinary activities after tax for the period</b>	(655.16)	(2,037.25)	514.97	307.89				
14	<b>Paid up Equity Share Capital</b> (Face value of Rs.10/- each)	3,079.81	3,079.81	3,079.81	3,079.81				
15	<b>Reserves excluding Revaluation Reserves</b>				20,085.87				
16	<b>Basic &amp; Diluted EPS in Rs. ( Not Annualised )</b>								
	Before extra ordinary item	(2.13)	0.67	2.10	10.24				
	After extra ordinary item	(2.13)	(6.61)	1.67	1.00				
Part II									
A	<b>PARTICULARS OF SHAREHOLDING</b>								
	Public shareholding								
	- Number of shares	8660751	8704651	8704951	8704691				
	- Percentage of shareholding	28.12%	28.27%	28.27%	28.27%				
	Promoters and Promoter Group Shareholding								
	a) Pledged / Encumbered								
	- Number of shares	NIL	NIL	NIL	NIL				
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	N.A.	N.A.	N.A.	N.A.				
	- Percentage of shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.				
	b) Non - encumbered								
	- Number of shares	22134199	22090199	22089899	22090199				
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%	100%	100%	100%				
	- Percentage of shares (as a % of the total share capital of the company)	71.88%	71.73%	71.73%	71.73%				



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REG. OFFICE : T-10, 3RD FLOOR, JAIRAM COMPLEX, MALA, NEUGI NAGAR, PANAJI, GOA - 403 001. INDIA

Particulars	3 months ended 30/06/2013
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	NIL
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	NIL

**NOTE :-**

- 1 The above unaudited results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12.08.2013. The Statutory Auditors have carried out a limited review of the above financial results.
- 2 The company has carried forward losses and unabsorbed depreciation as per the Income Tax Act,1961. The deferred tax assets have not been recognised considering the principle of virtual certainty as stated in the Accounting Standard AS-22 Accounting for Taxes on Income.
- 3 The auditors have qualified the financial statement for the year ended 31.03.2013 regarding depreciation w.e.f. 1.4.2006 on Plant & Equipments installed in Phthalic Anhydride Plant -2 on the basis of useful life of the assets as determined by an approved Valuer as against the rates specified in the Schedule XIV of the Companies Act, 1956. This has resulted in lower depreciation charged by Rs.93.27 lacs for the Quarter and Rs.1924.18 Lacs as on date.
- 4 Exceptional item represent foreign currency variation attributable to the sharp depreciation of rupee in the month of June 2013.
- 5 The company has certain disputed foreign exchange liability which has not been converted as on 30.06.2013, due to this amount under exceptional item is lower by Rs. 426.42 lacs.
- 6 The expansion project (PA-3) of 50,000 MT has commenced trial runs w.e.f. 19th July, 2013.
- 7 The figures for the quarter ended 31st March, 2013 are the balancing figures between Audited figures in respect of the full financial year and the published year to date figures upto the third quarter of previous financial year.
- 8 The Company is exclusively in the Organic Chemical Segment.
- 9 Previous periods figures have been regrouped / reclassified where necessary.

For I G PETROCHEMICALS LIMITED

  
NIKUNJ DHANUKA  
MANAGING DIRECTOR

Place: Mumbai  
Date: August 12, 2013

