

**Independent Auditor's Review Report**

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 30.09.2014 (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 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.
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 has resulted in lower depreciation charged by Rs. 2111.10 Lacs as on 31.03.2014. Effective from April1,2014, the company has charged depreciation based on the revised remaining useful life of the assets as per Schedule II of the Companies Act 2013. The company has certain disputed foreign currency liability which has not been converted as on 30.09.2014, due to this, amount under foreign exchange gain of Rs.192.32 Lacs for the Quarter and foreign exchange loss of Rs. 438.05 Lacs as on date is not accounted. Had the impact of above been considered, the Net Profit before tax for this quarter would have been Rs.701.70 lacs instead of reported profit before tax of Rs.509.38 Lacs, accumulated depreciation lower charged is Rs.2111.10 lacs and disputed foreign currency liability is lower by Rs. 438.05 as at September 30, 2014.



5. Based on our review conducted as 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) which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs] and other recognized accounting 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 contains any material misstatement..

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



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



**Place: Mumbai**

**Date: 13.11.2014**



# IG PETROCHEMICALS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED 30TH SEPTEMBER 2014							
Part I						(RS. IN LACS)	
SR. NO.	PARTICULARS	QUARTER ENDED			SIX MONTHS ENDED		FOR THE YEAR ENDED 31/03/2014
		30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	
						UNAUDITED	AUDITED
1	<b>Income from operations</b>						
	(a) Net Sales / Income from Operations ( Net of excise duty )	30,376.19	34,339.44	25,516.34	64,715.63	49,949.30	120,429.59
	( b ) Other Operating Income	-	-	-	-	-	-
	<b>Total Income from Operations ( Net )</b>	<b>30,376.19</b>	<b>34,339.44</b>	<b>25,516.34</b>	<b>64,715.63</b>	<b>49,949.30</b>	<b>120,429.59</b>
2	<b>EXPENSES</b>						
	a ) Cost of Materials Consumed	27,512.43	28,990.95	24,960.81	56,503.38	45,623.71	107,509.72
	b ) Changes in Inventories of Finished Goods & Work-in-Progress	(1,756.73)	245.54	(2,353.29)	(1,511.19)	(1,650.28)	(2,671.51)
	c ) Employees Benefits Expense	722.30	679.14	535.96	1,401.44	1,146.56	2,513.53
	d ) Depreciation and Amortisation Expense	416.77	424.35	362.50	841.12	662.50	1,803.34
	e ) Other Expenses	2,162.45	1,930.01	1,158.53	4,092.46	2,792.26	7,029.34
	<b>Total Expenses</b>	<b>29,057.22</b>	<b>32,269.99</b>	<b>24,664.51</b>	<b>61,327.21</b>	<b>48,574.75</b>	<b>116,184.42</b>
3	<b>Profit from Operations before Other Income &amp; Finance Costs and exceptional item</b>	1,318.97	2,069.45	851.83	3,388.42	1,374.55	4,245.17
4	Other Income	149.35	284.86	76.05	434.21	277.41	968.25
5	<b>Profit from Ordinary activities before Finance Costs and exceptional item</b>	<b>1,468.32</b>	<b>2,354.31</b>	<b>927.88</b>	<b>3,822.63</b>	<b>1,651.96</b>	<b>5,213.42</b>
6	Finance Cost	958.94	984.24	502.68	1,943.18	922.17	3,036.22
7	<b>Profit from Ordinary activities after Finance Costs but before exceptional item</b>	<b>509.38</b>	<b>1,370.07</b>	<b>425.22</b>	<b>1,879.45</b>	<b>729.79</b>	<b>2,177.20</b>
8	Exceptional item	-	-	992.47	-	1,952.20	1,785.85
9	<b>Profit / ( Loss ) from ordinary activities before tax</b>	<b>509.38</b>	<b>1,370.07</b>	<b>(567.25)</b>	<b>1,879.45</b>	<b>(1,222.41)</b>	<b>391.35</b>
10	Tax Expense						
	Current Tax - MAT	106.77	287.17	-	393.94	-	78.27
11	<b>Net Profit / ( Loss ) from ordinary activities after tax for the period</b>	<b>402.61</b>	<b>1,082.90</b>	<b>(567.25)</b>	<b>1,485.51</b>	<b>(1,222.41)</b>	<b>313.08</b>
12	Paid up Equity Share Capital (Face value of Rs.10/- each)	3,079.81	3,079.81	3,079.81	3,079.81	3,079.81	3,079.81
13	Reserves excluding Revaluation Reserves						20,398.95
14	Basic & Diluted EPS in Rs. ( Not Annualised )	1.31	3.52	(1.84)	4.82	(3.97)	1.02

## Part II

PARTICULARS OF SHAREHOLDING						
Public shareholding						
- Number of shares	8592073	8592073	8660721	8592073	8660721	8704651
- Percentage of shareholding	27.90%	27.90%	28.12%	27.90%	28.12%	28.27%
Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	N I L	N I L	N I L	N I L	N I L	N I L
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	N.A.	N.A.	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.	N.A.	N.A.
b) Non - encumbered						
- Number of shares	22202777	22202777	22134199	22202777	22134199	22090199
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	72.10%	72.10%	71.88%	72.10%	71.88%	71.73%

Particulars	3 months ended 30/09/2014
<b>INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	N I L
Received during the quarter	5
Disposed of during the quarter	5
Remaining unresolved at the end of the quarter	N I L



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**NOTE :-**

- 1 The above unaudited results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 13.11.2014. 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 31.03.2014 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.2111.10 Lacs as on 31.03.2014.  
  
As per letter received from National Stock Exchange of India Limited (NSE), the Company had revised Proforma Financial Result for the Financial Year 2012-13 by providing the depreciation of Rs. 1830.91 lacs upto 2012-13 and filed with NSE/BSE Limited in August 2014. As specified in the circular of SEBI, the financial effects of the revision shall be carried out in the Annual Accounts of the year 2014-15 at the year end.
- 4 Effective from April 1, 2014, the company has charged depreciation based on the revised remaining useful life of the assets as per Part - C of Schedule II of the Companies Act 2013. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis for some assets. Due to above, the depreciation charged for the quarter and half year ended September 30, 2014 is lower by Rs.256.50 Lacs and 515.22 Lacs respectively. Further based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs.116.70 Lacs has been adjusted with retained earnings.
- 5 The company has certain disputed foreign currency liability which has not been converted as on 30.09.2014, due to this amount under foreign exchange gain of Rs.192.32 Lacs for the Quarter and foreign exchange loss of Rs. 438.05 Lacs as on date is not accounted.
- 6 Exceptional items for the previous periods represents foreign exchange ( gain ) / loss.
- 7 The Company is exclusively in the Organic Chemical Segment.
- 8 Previous periods figures have been regrouped / reclassified where necessary.

**STATEMENT OF ASSETS & LIABILITIES AS AT SEPTEMBER 30, 2014**

PARTICULARS	AS AT	
	UNAUDITED	AUDITED
	30.09.2014	31.03.2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	3079.81	3079.81
Reserves and Surplus	23522.39	22646.55
<b>Sub- total Shareholder's Fund</b>	<b>26902.20</b>	<b>25726.36</b>
<b>Non Current Liabilities</b>		
Long Term Borrowings	12743.82	14083.50
Long Term Provisions	183.40	213.39
<b>Sub- total Non Current Liabilities</b>	<b>12927.22</b>	<b>14296.89</b>
<b>Current Liabilities</b>		
Short Term Borrowings	4560.92	4393.61
Trade Payables	24124.70	28624.76
Other Current Liabilities	3550.38	3387.35
Short Term Provisions	265.89	1.10
<b>Sub- total Current Liabilities</b>	<b>32501.89</b>	<b>36406.82</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>72331.31</b>	<b>76430.07</b>
<b>ASSETS</b>		
<b>Non Current assets</b>		
Fixed Assets (Net)		
Tangible Assets	37884.82	37625.01
Intangible Assets	6.30	3.88
Capital Work-in-Progress	143.93	64.25
Non Current Investments	6.91	6.91
Long Term Loans and Advances	92.90	186.84
<b>Sub- total Non Current Assets</b>	<b>38134.86</b>	<b>37886.89</b>
<b>Current Assets</b>		
Inventories	13761.83	14148.85
Trade Receivables	15059.10	17429.60
Cash and Bank Balances	2546.18	2852.32
Short Term Loans and Advances	2829.15	4112.22
Other Current Assets	0.19	0.19
<b>Sub- total Current Assets</b>	<b>34196.45</b>	<b>38543.18</b>
<b>TOTAL ASSETS</b>	<b>72331.31</b>	<b>76430.07</b>

For I G PETROCHEMICALS LIMITED

Place: Mumbai  
Date: November 13, 2014



*M M Dhanuka*  
M M DHANUKA  
CHAIRMAN