



“I G Petrochemicals Limited
Q4 & FY26 Earnings Conference Call”
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**MANAGEMENT: MR. PRAMOD BHANDARI – CHIEF FINANCIAL OFFICER
– I G PETROCHEMICALS LIMITED**



Moderator: Ladies and gentlemen, good day, and welcome to the IG Petrochemicals Limited Q4 and FY 2026 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Pramod Bhandari, CFO at I G Petrochemicals Limited. Thank you, and over to you, sir.

Pramod Bhandari: Good afternoon, everyone. Thank you for joining us today. On the behalf of I G Petrochemicals Limited, I would like to extend a warm welcome to all the participants. We are also joined by SGA, our Investor Relations Advisors. We trust that everyone has had an opportunity to review our financial results and investor presentation. Both are uploaded on stock exchange and our company website.

During today's discussion, we'll briefly begin with a quick overview of recent industry development and provide an update on the IGPL progress. This will be followed by the company operational performance and financial highlights for the quarter.

For during the FY 2026, it has been a particularly challenging year for most global and Indian chemical industry. The sector has to navigate the rising crude prices and volatility in the market condition, higher global trade and logistic costs, subdued demand from the Western market, and ongoing geopolitical tensions, especially in the Middle East as a result.

The chemical companies that are dependent on the imported raw material and those which have significant exposure to the export into the Western market has been impacted. IGPL is not an exception, was also impacted in the last six to nine months because of these challenges.

Looking at the current business environment, we continue to remain constructive given the evolving micro economic situation, particularly the uncertainties surrounding the Asian crisis and its potential impact on Indian economy.

While ongoing Middle East conflict continue to impact Indian economy in the short-term, particularly through the energy prices, supply chain, and logistics. We expect this disruption to gradually normalize over short to medium term, supporting a more stable industry outlook. This has also resulted into volatility in the key raw material prices which is Ortho xylene and several other chemical products across the value chain.

While there has been some encouraging developments in addition to the proposed India-EU, India-U.K. free trade agreement is expected to created new opportunities for the Indian chemical



players going forward. Although some downstream segments experienced a temporary dip in the demand earlier this year, current trends show a stable recovery across all key segments.

Overall impact on the IGPL was very limited, and thanks to our strong localized customer base, wherein we are selling around 80% to 85%. Having a majority of our clients in the radius of 200-300 kilometres of our plant ensures that logistic efficiency as well as consistent demand stability.

Further, while IGPL doesn't directly cater to the Western export market, however, certain downstream sectors impacted due to the ongoing crisis do have a selective exposure to the global demands. For IGPL, I think IGPL continues to remain a strong position, backed by a strong longstanding focus on the operational efficiency cost leadership. We are among one of the lowest cost producers of phthalic anhydride in India. We hold the position of the largest producer in the domestic market and second largest globally.

Over the years, through continuous improvement and focused education, IGPL has built a strong manufacturing capability that enables us to deliver a reliable and consistent supply of high-quality products.

Phthalic Anhydride continue to play a critical role in the Indian industrial value chain. It serves as a key raw material or intermediate for most of the plasticizers used in PVC, Alkyd resin, including the industrial coatings, UPR, and other construction and automotive applications.

Along with phthalic, we are also diversifying our portfolio, including Maleic Anhydride, Benzoic acid, DEP, which cater to a wide range of individual industries. We believe that this project gradually see a increased contribution, supported by steady growth in demand across respective end user segments.

For particularly Q4 performance, our performance during the quarter was primarily impacted because of high raw material prices along with the steady demand. The price pressure largely impacted overall revenue and margin during the period.

For the full year, the demand for phthalic anhydride remained relatively stable. However, the realization across PAN and MAN – continued to remain under pressure due to the prevailing industrial environment.

Overall, yearly performance was impacted due to the high cost inventory, one-time mark-to-market on account of the forex. At the same time, during the year, we undertook significant balance sheet expenses, including pre-payment of the certain portion of the Euro-denominated loan and conversion of most of the Euro loan into the Rupee in view of the geopolitical uncertainty, and repaying a substantial part of the outstanding debt. These steps have meaningfully reduced our forex exposure and further strengthened company's financial position.

On capex front, during the year, we have achieved the mechanical completion of our advanced plasticizer project in March. Right now, we are doing the pre-operative and pre-operative operations in this and expected to start that commercial production of the facility soon.



The facility will commence with an installed capacity of 75,000 tons. The plant will manufacture a various range of plasticizers, including DOP, DINP, and DIPP. In parallel, we also successfully completed the de-bottlenecking of our DEP plant during March, which has increased the capacity to around 12,000 tons.

During the year also undertaken the meaningful steps towards the green chemistry and build a more sustainable circular economy. As a part of that, we are setting up the CBG plant, which is under construction right now and expected to complete by the end of June and July. CBG is currently under implementation and remains on track for June (Errata: to be read as 'CBG is currently under implementation and remains on track for Q2FY27').

As a part of long-term strategy, we continue to focus on improving operational efficiency, plant efficiency, and sustainability through the ongoing equipment upgrade and process improvement across facilities.

During there, we have also increased the integration of solar power and other renewable sources across our operations, supporting both carbon footprint reductions and long-term cost optimization. In addition, we also initiated a phase transition towards natural gas aimed at improving efficiency and reducing emission and supporting long-term optimization.

Although global environment continues to remain uncertain due to ongoing geopolitical issues, we believe the industry has now moved the phase of surging (Errata: to be read as "subdued") demand. Demand across the key segments has started slowing down, however, we have seen some gradual improvement also in the last month's order.

Pricing of major products also appeared to be at the bottom and begin stabilizing. Overall, despite near-term global uncertainty, we remain optimistic about the outlook for coming quarters, supported by our strong operational capability and integrated product portfolio. Disciplined capital allocation, IGPL remains well-positioned to capitalize on the emerging opportunities.

For the quarter ended, the revenue was INR530 crores, reflecting a 9% compared to Q4, supported by improved realizations and a higher volume. Revenue contribution non-PAN business remained for the quarter is INR32 crores. Gross profit for the quarter was INR149 crores, up 10% year-to-year.

EBITDA for the quarter was 75% (Errata: Actual Number to be read as INR 75 crores), registering a 38% growth year-to-year. EBITDA margin improved to 14.1% compared to 11.1% for the last quarter in FY25. Profit after tax stood at INR37 crores compared to INR21 crores in Q4 2025, indicating a sharp recovery in profitability.

For the entire year, the revenue stood at INR1,954 crores. Non-PAN business for the entire year was INR146 crores. Gross profit was INR451 crores and EBITDA stood at INR130 crores.

EBITDA margin at 6.7%. Profit after tax keeping in view the other losses for the rest, last nine months was stood at INR23 crores, primarily because of pricing pressures, one-time mark-to-

market and inventory loss which we need to incur in last nine months. Going forward, we expect profitability to improve as the global macro-economy environment expected to be normalized.

Board has recommended a dividend of INR5 per share, which is around 50% for the year-ended FY 2026, which will be subject to the approval of shareholder in ensuing -- Annual General Meeting.

With this, I conclude my presentation and open the floor for question-and-answer.

Moderator: Thank you very much. Our first question is from the line of Harshit Khadka with RoboCapital. Please go ahead.

Harshit Khadka: Thank you for the opportunity. Am I audible?

Pramod Bhandari: Yes, you are audible. Please go ahead.

Harshit Khadka: Yes, sir. So, sir, congratulations that we did 14% EBITDA margins in Q4 FY 2026. So, just wanted to understand what kind of margin profile can we see going forward in 2027 and 2028? Do we have any outlook on that?

Pramod Bhandari: So, typically, we don't want to give any predictions for margin because the market is volatile, keeping in view the geopolitical issues in the market, and there is a quite sharp fluctuation in the raw material prices as well as final product prices.

So, we avoid giving any forward-looking margin. However, this generally provides that whatever is the market margin, we will be having around \$100 to \$120 over and above the market margin, that is because of the operational efficiency as well as the realization from by-product.

Harshit Khadka: Understood, sir. And sir, where can we track the spread between OX and PAN, like, is there a website?

Pramod Bhandari: Yes, it is public at the ICIS website where they publish the weekly margin for the phthalic, maleic both.

Harshit Khadka: Okay, sir. right. And, sir, one of our peers is doing a big capex in PAN around the Dahej area only. So, will it have any impact on pricing as a lot of supply will come in? So, how do you see that situation?

Pramod Bhandari: I think it's already -- it started in the last one year. So, basically, the market corrects itself with demand/supply equilibration. Right now, the import in India is reduced to around 30,000 to 40,000 tons per year compared to 1 lakh to 1.20 lakh tons. So, to that extent, we also export around 10% to 15%. Market finds its way and finally equilibrates because it is growing at 5% to 6% every year.

In one or two years, it is expected to be normalized. In India, today, we are slightly oversupplied because of two or three capacities started in similar time in the last one year. But I think in the

next one or two years, because of the ongoing demand and starting of our plasticizer project, which will consume on an annual basis 30,000 to 35,000 tons of the phthalic, it will be creating the equilibrium of matching with the demand and supply.

- Harshit Khadka:** Okay. So, right now, our--
- Moderator:** Harshit sorry to interrupt. Just to -- request you to please mute your line when the management is addressing your question due to background sounds. Thank you.
- Harshit Khadka:** Okay. Sorry. Sir, my last question is regarding -- just correct me if I'm wrong. Our total PAN capacity is more than 2.75 lakh, right?
- Pramod Bhandari:** Its exact 2.75 lakh tons.
- Harshit Khadka:** Okay, sir. Understood. Sir, if someone were to put that kind of capacity right now, what would be the required capex you would need?
- Pramod Bhandari:** Roughly INR3,000 crores.
- Harshit Khadka:** Okay, sir, that's all. Thank you. I'll join back.
- Pramod Bhandari:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rohit Sinha with Sunidhi Securities. Please go ahead.
- Rohit Sinha:** Yes. Thank you for taking my question and congratulations, sir, for a good set of numbers. A couple of questions from my side. One is, obviously, what sort of volume was there for PAN in this quarter and for full year FY 2026?
- Pramod Bhandari:** So, generally, we don't discuss about the volume on quarter-to-quarter, year-to-year basis.
- Rohit Sinha:** Or any percentage increase?
- Pramod Bhandari:** I can tell you that the volume was typically same for the year which was in FY 2025. The FY 2026 are more or less same, 1% or 2% here and there. And for the quarter, it was more than 50,000 tons.
- Rohit Sinha:** Okay. Okay. Secondly, in terms of price realization, as we have seen significant increase in crude prices and for PAN and OX also, how much do we consider that the impact has been there in our Q4 number and how much would be coming in Q1 FY 2027 number, if you can highlight on that?
- Pramod Bhandari:** Can you repeat your question? What do you want? You wanted to know what is the impact of geopolitical situation in Q4 and Q1?
- Rohit Sinha:** So, price increase -- how much price increase benefit we have seen in Q4? And if at all there would be any price increase benefit in Q1 also?

Pramod Bhandari: So, it's not actually price increase. It's basically the raw material prices have gone up quite significantly because of geopolitical issue, which was hovering at around INR70-80 has gone up to INR130-140. So, in line with that, the final product price is also required to be increased so as to maintain the margin.

So, it has started somewhere in March and it continues. Right now, also the pricing is also at elevated level. So, as the crude, naphtha, and MIX Xylene. So, overall, all petrol product prices has gone up by 30-40%. In line with that, the OX and phthalic prices at international level and domestic level has also gone up.

So, so long as price remain elevated, we continue to have the similar type of margin. Plus, there are some operating efficiency, you are getting some extra product during your operation. So, when the prices are lower, you are getting the lower realization. When prices are at elevated level, you are getting the elevated realization for that portion of product.

Rohit Sinha: Got it. Got it. And sir, if you could help us with the PAN-OX spread in Q3 and Q4?

Pramod Bhandari: In market, it is between -- I am not talking about the Jan-Feb, particularly, but if you take the average, it is around \$150 for Jan-Feb-March. And right now, it is hovering between \$150 to \$200 in market.

Rohit Sinha: Got it. Got it. And sir, last question on our new plasticizer plant. Our overall PAN capacity was, you can say, partly underutilized because of the delay in commissioning of plasticizer plant. Now, we have completed and I think commissioning from this quarter. So, overall, what sort of utilization level we should be touching up in plasticizer or what kind of utilization would be there for the overall five units of our PAN capacity?

Pramod Bhandari: So, for plasticizer, we completed our mechanical completion in March. Right now, pre-operating activities are going on at plasticizer. We expect to start the production pretty soon once we complete the pre-operating activity.

For a year, we believe it is -- it's not going to be a very elevated level. We expect between 24,000 to 25,000 tons on annualized basis because now it is only nine months expected for our plasticizer business for this year.

And for phthalic business, apart from what we need to consume internally for DEP and plasticizer, we expect a similar type of volume. So, if we consume 15,000 to 16,000 tons for our plasticizer business, including DEP, then the 2 lakh tons, plus minus 2%, 3% for the domestic and export sales. So, volume will remain same, slightly higher, but that higher will be utilized for the purpose of feedstock for the downstream products.

Rohit Sinha: Got it. That is from my side, sir. I'll come back in the queue. Thank you.

Pramod Bhandari: Thank you. Yes.

Moderator: Thank you. Our next question is from the line of Riya Mehta with Aequitas Investment. Please go ahead.

- Riya Mehta:** Thank you for taking my question. My first question is in terms of FY 2027, how many of our plants out of the five will go into maintenance shutdown or catalyst change and for how much duration?
- Pramod Bhandari:** So, generally, we have five plants. So, in a year, you can assume that two plants will remain shut. For maintenance shutdown -- not maintenance shutdown, it's a maintenance shutdown, including changing the catalyst. That is a procedure. Every three years, we need to change the catalyst. So, two is for sure. It may be three, depending upon the government requirements for boilers inspection or some specific requirement. But minimum two will be there for at least 25 to 30 days.
- Riya Mehta:** Got it.
- Pramod Bhandari:** So, when I give you indication of the volume, it includes that shutdown.
- Riya Mehta:** Okay. So, 2 lakh is after considering that two plants will be shut down for a month or so.
- Pramod Bhandari:** Yes, Yes, Yes.
- Riya Mehta:** Okay. And after the plasticizer commissioning and you said 15,000 to 16,000 tons being diverted to plasticizer division, that will be over and above the 2 lakh volumes, which you said for commissioning?
- Pramod Bhandari:** Yes. It's over and above 2 lakh, but that is for plasticizer, including DEP.
- Riya Mehta:** Right, right, right. And how are you seeing the availability of OX? Like we used to take from Reliance, is what I remember. Are we taking from imports, et cetera?
- Pramod Bhandari:** Yes, Yes. So, basically, we are buying right now 50-50, typically -- and there is no problem in terms of import, because most of the raw material in import side coming from Singapore, Taiwan, Korea, OX. So, the strait of Hormuz is not a challenge, because it is not passing through that.
- However, the challenge is the pricing, because the crude oil prices have gone up, all the supporting chemicals, which is coming or derivatives of the crude prices has gone up. So, as far as availability is concerned, OX availability is not a challenge. It's amply available in the global market.
- Riya Mehta:** Okay. And in terms of demand, because I think a lot of chemicals which go into the paint industry, paints and plasticizer industry, they've seen a lot of cost increase. And the end user industry has taken almost 2 to 3 price hike. So, how do you anticipate the demand going forward, considering you have an over capacity in the market?
- Pramod Bhandari:** I think you're right, because the prices of all chemical and petrochemical products are up by 30% to 40%. So, it is a big challenge. But right now, we see a consistency in the demand. However, some of the downstream industry, which not only use phthalic, they use styrene, they use others, that price has also gone up, including urea.

So, overall, the prices of all raw material for all chemicals has gone up, that resulted into 40%, 50% hike in the final product of various downstream chemicals. So, at certain point, I'm not saying today, but I think one or two months, a lot of guys have the inventory, they are able to sell the product at a moderate price. But ultimately, the final price has to be reflected in the product based on the raw materials.

So, right now, demand is steady. But I believe if prices remain at elevated level, there will be some correction in the demand, maybe 5-10%, 10%, I don't know, because up to what extent you can bear that higher prices.

So, the question is right now, I think till March, there was no issue, even April, May seem to be okay. But if it remains for next three, six months, you can see the moderation because not all downstream industries are good to pass on the raw material prices to the final product.

Ultimately, it all goes to the consumer. If consumer has the capability to bear that, that's fine. Like in case of paint, they're able to pass on the price, they frequently change the price for final product. But other industries, right now, there is no impact. I've seen it to March, but you may see if it remains for next three to six months.

Riya Mehta:

Okay. In terms of inventory, how much inventory do we carry and how much part of our current higher margins would be attributable to inventory gains?

Pramod Bhandari:

So, we generally carry an inventory of around 10 to 15 days. But since the prices are very elevated level, we wish to operate our plant, three to four plants and wanted to offload all our inventory. We wanted to operate on a minimum inventory because if the matter settled, then there are chances the price will correct by 30% to 40% or maybe 10-15-20% because I don't think now crude going back to \$60 is near-term possibility in next six to nine months.

But we wanted to operate at a minimum level so that whatever we are buying, we are able to process and sell it. So that in case there is any correction in price, we have the minimum impact. And what was the second question?

Riya Mehta:

No. I just wanted to understand how much of inventory gains would we have got this quarter because of the pricing?

Pramod Bhandari:

I think I will not pinpointing it. Whatever the losses we have on an account of inventory in nine months, that are fully covered.

Riya Mehta:

Got it. Got it. And my question is in terms of maleic, have we seen maleic prices gone up because of the entire Middle East scenario and it is now higher than phthalic?

Pramod Bhandari:

No. It has gone up in line with the raw material prices. However, it has corrected also. So, it is not as elevated as phthalic. However, the price from a normal typically -- if you look at the maleic for last one year, it is \$800, \$900, it has reached to around \$600, \$650 to \$700. It has gone down to \$1,200, \$1,300, again come back to \$1,000, \$1100. Because there is an ample supply available in the market from China.

- Riya Mehta:** Okay.
- Pramod Bhandari:** And still it remains below the phthalic prices.
- Riya Mehta:** Okay. And just last question in terms of spreads, you said that \$150 was Jan, Feb, March. Could you help me with what would be the spread in terms of March, April, and May?
- Pramod Bhandari:** I do not have the ready calculation, but it is hovering around \$150 to \$200.
- Riya Mehta:** \$150 to \$200. And in terms of our cost prices like coal and energy price, etc. , would also increase. So, for us, can you quantify how much would be the cost increase out of all this?
- Pramod Bhandari:** So, the energy which we are using, 85% to 90% is the waste heat energy, which is inbuilt in our plants we are using. So, around 10% energy we use from outside, which includes the government electricity, which includes the fuel oil and which includes the diesel. Diesel is very small then LSFO.
- So, for that portion of 10%, the prices are up by 30% to 40%, because LSFO, fuel oil is a public price. Diesel is a public price. So, from that low of Jan-Feb, the prices are up by 20-30%. But that is the part of the 10% of our usage, because 90% is the waste heat energy. Out of that 10% portion, some portion of that fuel prices are up by 20% to 30%, which is LSFO and diesel.
- Riya Mehta:** Right. Right. I will join back in view for further questions. Thank you.
- Pramod Bhandari:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Trushank Jani with Moneybee. Please go ahead.
- Manan:** Yes. Hi, sir. Manan here on this side. Sir, you mentioned that the imports have reduced. This, you are talking in the current market right now, they have reduced than what they were due to the supply disruption, or this you are talking about KLJ's plant coming up?
- Pramod Bhandari:** No, no, no. I am talking about Jan, Feb, March, it is slightly reduced in Jan and Feb. We don't have a data from March, because government stopped publishing all import-export data effective March onwards.
- Manan:** Okay.
- Pramod Bhandari:** So, no chemical prices are -- import-export data is available from 31st March, or maybe 1st March onwards. We have a data for Jan, Feb to typically slightly go down compared to the last quarter.
- Manan:** Okay. Understood. And on the spreads part, after a long time, the spreads have finally improved to \$150-200. Now, you are saying that if the price remains so elevated, then there is a possibility of demand, you know, contracting by maybe 8% to 10%. Then in that sort of a scenario, do you think these spreads will sustain or there could be pressure in the spreads?

Pramod Bhandari: I think, if you ask me, the spread at \$200 is actually a reflection of the higher prices. Suppose you need to make 10%, when the prices are \$1,000, you need to make \$100, if it is 10%. When prices are \$1,500, you need \$150 to make 10%. So, in terms of percentage, margin remains the same. In absolute terms, it has gone up. But it has gone up in line with the raw material. In percentage, it remained 10% to 12%. It was \$100--

Manan: No, I understand. What I'm trying to understand is that if there is a contraction in the demand, because there has been large capacities which have added, right, by the competitor, by us as well--

Pramod Bhandari: I don't think the demand is impacted because of the existing capacity, because that capacity is in place for the last one year.

Manan: No, I'm not saying that, we're expecting the demand, but because of the global scenario--

Pramod Bhandari: Yes, yes. However, elevated prices may have some impact, if it remains elevated for say next one year. Exactly, I don't know how much it will be because some of the industries are able to pass on the increased raw material prices to consumers. Some of the industries are not able to pass on.

So, in that case, they will be operating at not 80%, maybe 60%, 40%, 50%. That all depends upon the type of industry you are catering to. We supply to almost, I think, more than 20 industries, paint, plastics, pigments, CPC, agrochemicals, specific chemicals. Everybody is using phthalic in different ways.

So, in some of the cases, we have seen that there is a moderation in the capacity utilization. Right now, the situation in the chemical segment is they are producing and buying the raw material only to the extent they need to sell. They have on-time inventory.

Manan: Okay. Also, I was reading that due to lower realizations in OX, the refiners were shifting to PX. So, is that a scenario that is playing out in the current market and would that impact the availability of OX in general?

Pramod Bhandari: I don't think so because PX and OX prices are almost in a similar range for the last two years, three years. So, both the prices have gone up in line with the feedstock cost. However, the OX-PX is played out in the last four, five years. In the last two years, I think OX and PX prices are similarly in the same range.

So, however, when you say that the government is stressing to all refiners to produce more LPG and gasoline, then there may be some impact. But typically, India is only supplied by the Reliance and balance is imported. And in the outside market, there is no such impact. OX is easily available in the international market. Prices are elevated.

Manan: Okay, understood. Also, the planned shutdowns that you will be taking, in which quarter are we planning to take these shutdowns?



Pramod Bhandari: Right now, it's under planning. But generally, in third or fourth quarter, typically, we take the shutdown. Right now, under plan, the date is not finalized. It will be finalized based on the overall preparation as well as the demand/supply scenario and inventory scenario.

Manan: Okay, understood. And also, you mentioned that overall the prices are elevated. So, from a long-term, medium prices, how much elevated are these prices are?

Pramod Bhandari: So, typically, prices remain in the range of \$90 to \$110. And in COVID period, it has gone up to \$125, \$126, which is the peak. Today, the peak is a normal price is between \$150 to \$160. Now, \$140 to \$150. So, from COVID peak, it is already up by 30%.

Manan: Okay, understood. Sure. Thank you and I'll get back--

Pramod Bhandari: And it is not the case of OX and PA. Across all chemicals, it is up.

Manan: Definitely. right

Pramod Bhandari: Yes. Because the crude cost has gone up. Simple.

Manan: Right. Thank you, sir. I'll get back in the queue.

Pramod Bhandari: Yes.

Moderator: Our next question is from the line of Gunit Singh with Counter Cyclical Investments Private Limited. Please go ahead.

Gunit Singh: Hi, sir. Thank you for this opportunity. So, in Q4, the PAN-OX spreads were about \$100 to \$150 in the market, right?

Pramod Bhandari: Correct.

Gunit Singh: So, what were our company spreads in Q4?

Pramod Bhandari: So, I think if you can calculate it, because the raw material minus this, we typically make \$100, \$120 over and above the market. You can calculate the results.

Gunit Singh: Got it. So, basically, I mean, what are the key drivers because of which we make \$100 above the market?

Pramod Bhandari: One is the operating efficiency, which we operate and we get the extra production because of the yield. Second, we have a by-product called maleic, which we are generating from the wash water. The maleic is coming from the wash water of phthalic.

And since it is coming from the by-product -- it's coming as a by-product, whatever is the sale is in EBITDA. There is no conversion cost or something because there is no raw material required. Third is the benzoic acid. So, if you take the -- put together all three, it will give us the advantage of typically \$100 to \$120.

- Gunit Singh:** Got it. That makes sense. So, how much -- what volumes of PAN was internally consumed in FY 2026?
- Pramod Bhandari:** PAN is produced, OX is consumed.
- Gunit Singh:** So, we use PAN to make some downstream products, right?
- Pramod Bhandari:** That is only DEP.
- Gunit Singh:** So, how much of it was internally consumed in FY 2026 in terms of volumes?
- Pramod Bhandari:** Just a minute. Just a minute, I will give you the --. So, for DEP, we have consumed PAN -- we have produced some -- just DEP. We have consumed around 4,500 to 5,000 tons.
- Gunit Singh:** Got it. So, basically, 1 ton of DEP production requires 1 ton of PAN. Is that a fair understanding?
- Pramod Bhandari:** Not exactly. 1 ton of DEP required around 0.7 ton of PAN.
- Gunit Singh:** Got it. So, my second question would be regarding the plasticizer plant. So, for FY 2027, realistically, what kind of revenue potential and what kind of utilization can we expect? And realistically, what kind of EBITDA margins can we expect on the lower end?
- Pramod Bhandari:** I think margin, I would not like to comment. Typically, I can guide you that whatever is market margin, we will be making \$100 to \$120 over and above that. For year, I think we will be remaining in the same range of around 2 lakh tons, which is being sold in the domestic market. 10,000 to 15,000 tons will be manufactured, but it will be internally used for plasticizer and then DEP production.
- Gunit Singh:** Got it. And, sir, in terms of revenue potential from the plasticizer plant for FY 2027?
- Pramod Bhandari:** So, if you take around 20,000 to 25,000 tons of production, so you can roughly say between 250 plus/minus 5%, 200 to 250, you want to say that. It all depends upon when we start the production. And once we started the production, then we will be able to access the market because capacity is already there in the system.
- We need to ramp up and look at the market, how we can ramp up because today all the raw material prices are very elevated level. We have started the pre-operating activity and really waiting for stabilization in the market before getting into the full production.
- Gunit Singh:** Got it. So, by when do you realistically expect this to happen? And have we -- I mean, what steps are we taking to get customers for the plasticizer given that the market is already very crowded?
- Pramod Bhandari:** I think demand of the plasticizer is there in the domestic market and all the players which are there, they are selling. And in fact, there are very little import of plasticizers. We are able to get into the market and there are some of the products like DIMT. There is a very good demand

because all cable companies are using that product. Similarly, it's a commodity product, if you have a better pricing, you can sell in the market. Selling is not a challenge.

Gunit Singh: Got it. And in terms of DEP, we have added 12,000 metric tons, right?

Pramod Bhandari: No, we increased the capacity from 8,000-8,400 tons to 12,000 tons, debottlenecking.

Gunit Singh: Got it.

Pramod Bhandari: DEP is there for last two, three years, since 2022, last four years. We were operating at around 7,000 to 8,000 tons. Now, we have debottleneck and we increased the capacity by 70% to 12,000.

Gunit Singh: Got it. And so, given all these initiatives, would you like to give a guidance in terms of top line and bottom-line for FY 2027, which we can realistically expect?

Pramod Bhandari: I can give you top line, but the challenge is that at today's price, the top line looks to be very heavy. If the prices remain what it is today, you will see a top line much higher than what you have seen in the last one year. So, I think it's better for me to give the guidance in terms of quantity.

2,000,000 tons is what we are planning to sell in the market for phthalic and 20,000 to 25,000 tons in the plasticizer and around 8,000 tons for the DEP. And if prices remain elevated, it will be INR 2,500 crores plus. If prices are moderate, it will be between INR 2,000 to 2,200 crores. It all depends on the final pricing.

Gunit Singh: Got it. Sir, you mentioned that when--

Moderator: Sorry to interrupt, Gunit, I request you to please rejoin the queue if you have any further questions. Our next question comes from the line of Renuka with First Water Capital. Please go ahead.

Renuka: Yes, hello. Am I audible?

Pramod Bhandari: Yes, Yes. Please go ahead.

Renuka: Yes. Thank you for the opportunity. So, I just had a couple of queries with regards to the volume growth that you have given. So, despite the fifth plant getting commissioned, we are expecting a flattish volume for FY 2027 as well. So, whatever extra that we are -- we'll be manufacturing from PA5 will be internally consumed for the plasticizer plant?

Pramod Bhandari: Correct. In keeping in view the two shutdowns or three shutdowns we are planning.

Renuka: Okay. And can you quantify how much will be produced in the fourth quarter?

Pramod Bhandari: Fourth quarter, generally, we avoid giving pinpointed. It was more than 53,000 ton.

Renuka: Sorry, can you repeat that? More than 50,000.

- Pramod Bhandari:** No, no. You are talking about sales or production? Production was more than 50,000 ton.
- Renuka:** Right. And on the sales part?
- Pramod Bhandari:** More than 52,000 ton.
- Renuka:** Okay. And given -- like you gave a guidance of roughly INR200 crores to INR50 crores, but at the current spread, what would be the EBITDA that we can expect in FY 2027? And additionally, earlier you had said that optimum utilization, both these will add INR1,000 crores of revenue. So, when would that be possible? Like when is that optimum utilization possible?
- Pramod Bhandari:** So, for current year, the optimum utilization is not possible. We will be at around 20,000 to 25,000 tons for the plasticizer business. Similarly, for the PA plant also. So, 27-28, you can see the optimum utilization of that. Once we start the plasticizer, assess the market, able to sell the product, and then in line with that, we are planning to start the full-fledged production. So, basically, INR1,000 crores is the revenue number -- INR1,100 crores for put together PA, plasticizer, we'll be able to see when we operate at 70%, 80% of these plants.
- Renuka:** Okay, got it. And on the EBITDA part, given current spreads, how much can we expect?
- Pramod Bhandari:** I don't want to comment on EBITDA specifically for keeping in view one or two quarters. I think rather than I give the guidance for EBITDA and the PAT, it's better I give the guidance, whatever is the market margin, we make \$100 to \$120 over and above, Because it's very difficult to predict the market in our business.
- Renuka:** Okay, those were my questions. Thanks. I'll join back in the queue.
- Moderator:** Thank you. Our next question is from the line of Aditya with Securities Investment Management. Please go ahead.
- Aditya:** Hi, sir. Thanks for the opportunity. Sir, you mentioned that the current spreads are around \$150, \$200 dollars now. What were the average spreads for FY 2026?
- Pramod Bhandari:** Sorry, can you repeat? I'm not getting your voice. You're talking about a spread in FY 2026 between \$100 to \$150.
- Aditya:** Okay. And sir, this increase in spreads now, do you think major factor was because of supply disruptions? Some of the players were not able to supply the product, which led to increase in spreads?
- Pramod Bhandari:** I think the reason of the spread is in two parts. First, the slightly supply from the international market because no petrochemical products are being produced much. Second, the price of the raw material has gone up. So, I mentioned if you are selling at \$1,000, at 10% you are making \$100. When you are selling at \$1,500, at 10% you are making \$150. So, at elevated prices, historically, margin remain high.
- Aditya:** And sir, -- and how much of PAN supply comes from the Middle East?

- Pramod Bhandari:** Middle East don't produce any PAN.
- Aditya:** Okay.
- Pramod Bhandari:** Generally, in India, import is coming from China, Taiwan, and Korea. Middle East is not producing. In fact, we are exporting 10% to 15% of our product to the Middle East.
- Aditya:** Got it. And now, sir, pigment industry is one of the key users of PAN. So, how is that industry doing?
- Pramod Bhandari:** They are doing okay because not only the phthalic production, phthalic prices have gone up, but also other raw materials required for the pigment industry has also gone up. So, ultimately, it's elevated prices of all the raw materials for pigment industry.
- So, right now, they are able to pass on some of the prices, but we need to see next three to six months if the prices remain at elevated level, how much they will be able to pass on to the consumers. And because there is a challenge of the urea also, they need urea as a raw material, which is not available in a sufficient quantity in commercial market.
- Aditya:** Okay. Okay. And now, sir, do -- does India have import duty on PAN?
- Pramod Bhandari:** No. Import duty on -- sorry, OX, there is no import duty. On PAN, there is an import duty in selected countries, different, different duties. Duty come and deducting duty.
- Aditya:** And what is the rate of duty? And I think this was supposed to end in FY 2026, right, in 2026?
- Pramod Bhandari:** For FY -- no, it was supposed to end in August 2026. Commerce Ministry has recommended for two countries the duty for \$40, China and Korea \$40 for next five years. It's a recommended by Finance Ministry -- recommended by Commerce Ministry yet to be approved and notified by Finance Ministry.
- Aditya:** Okay. Okay. And now, lastly, we are expected to do 25,000 to 30,000 in plasticizers this year. Would this plant be breaking even at that kind of utilization?
- Pramod Bhandari:** So, actual capacity is 75,000 tons. So, on 25,000 tons, you will be at 30% to 33%.
- Aditya:** Right. So, in the first year of operations, would that facility be breaking even or we would be making losses?
- Pramod Bhandari:** It will be depending upon at what price you are transferring the phthalic, because phthalic is the raw material which is 35% to 40%. And based on the today's prices of plasticizers, it will be easily breaking even, because right now, the plasticizer prices are also very elevated levels.
- Aditya:** Got it. And, sir, what is the revenue contribution from maleic this year?
- Pramod Bhandari:** For Maleic this year, the contribution was around -- for the quarter, it was INR15 crores.
- Aditya:** And for the full year?



- Pramod Bhandari:** Full year was INR55 crores to INR56 crores.
- Aditya:** Okay. And what kind of price increase have you seen in maleic prices in the last three, four months?
- Pramod Bhandari:** Maleic prices have gone up in the international market by 15% to 20-25%. Then again, it comes back and corrected by 5%, 10%. So, right now, it is at an elevated level, but it is ranging between \$1,000 to \$1,100.
- Aditya:** Right. But, sir, this increase in prices, this would benefit us going forward, right? Because this would directly flow into our EBITDA because this comes as a by-product for us.
- Pramod Bhandari:** Correct, correct, correct. It will be directly reflecting in EBITDA, but compared to phthalic, still it is 25% to 30% lower. It has gone up -- it was actually hovering around \$700, \$800 for two years. It has gone down to \$650 to \$670. In last two months, it has gone to up to \$1,100, now hovering around \$1,000.
- Aditya:** Got it. Got it. Sure, sir. Thanks for answering my questions.
- Pramod Bhandari:** Thank you.
- Moderator:** Thank you. Our next question comes on the line of Majid Ahamed with PinpointX Capital. Please go ahead.
- Majid Ahamed:** Am I audible, sir?
- Pramod Bhandari:** Yes.
- Majid Ahamed:** Thank you for the opportunity. Sir, my first question is, I want to know about this [inaudible 46:25]. What are we -- how much revenue are we looking at?
- Pramod Bhandari:** So, right now, we are in the process of completion. We will be producing around 1,500 tons in an annualized capacity. And once it is completed, we expect around INR25 crores to INR28 crores at peak capacity revenue.
- Majid Ahamed:** How much revenue, sir?
- Pramod Bhandari:** I said INR25 crores to INR30 crores, depending on the pricing.
- Majid Ahamed:** INR25 crores to INR30 crores?
- Pramod Bhandari:** Yes. Basically, one-to-one type ratio, whole capex.
- Majid Ahamed:** Okay, got it sir. How do you see the PAN realization, especially -- going forward how do you see that -- coming forward?
- Pramod Bhandari:** Sorry, can you repeat your question?

- Majid Ahamed:** Sir, how do you see the PAN realization?
- Pramod Bhandari:** PAN realization remains good. If the pricing of the raw material is high, PAN is expected to be having a better realization between -- in terms of \$1,400 to \$1,500, right now, it is hovering around \$1,400 to \$1,500. So, if the raw material price remains high, the PAN prices will remain high.
- Majid Ahamed:** Sir, how do you see the overall PAN prices increases? How do you see the end industry able to--?
- Moderator:** Sorry to interrupt, sir, but you are not clearly audible at the moment.
- Majid Ahamed:** Am I audible now sir?
- Pramod Bhandari:** Yes.
- Moderator:** Please go ahead.
- Majid Ahamed:** Sir, I am asking basically [inaudible 0:48:07], how do you see that [inaudible 0:48:10] transfer to any industry, how do you see that transition?
- Pramod Bhandari:** So, PAN is actually different, different industries, PAN is used in a different, different percentage. I will give you an example. Like for plasticizer, it is between 35% to 40% PAN is being used. The other industry, it is -- UPR, it is 15% to 16%. Paints, its 10% to 15%. Polyester, its 8% to 9%. CPC, its 6%. Agrichemical, 4%. Speciality, 6%. So, in different, different downstream industries, PAN is being used in different, different proportion. Highest is the plasticizer.
- So, balance industry, where it is used between 5% to 10%, it does not have that much of impact, because there are other raw metals which are much higher in terms of the pricing, which they need to cater into and pass on to the consumer.
- So, I think PAN majority is used basically in the plasticizer by 35% to 40%. So, that price they are able to transfer it or not, that will be depend upon what price they are able to sell and what is their inventory.
- If the raw material price remains high, final product price has to remain high to maintain the similar margin. For other industry, I have not seen that much of impact because the PAN impact is, is very small, because very small quantity is being used compared to the other chemical like styrene, 2EH and all that. Their pricing will decide about the, about the final product pricing of the final product of these industries. Here, the pan impact is very low.
- Majid Ahamed:** Sir, how do you know the density with the crude prices, if crude price from year on goes 10%, 20%? How do you [inaudible 0:50:05]?
- Pramod Bhandari:** So, so basically the, there is no direct correlation between the crude and pan, because in the value chain, crude goes to naphtha, naphtha through reformat goes to mixed xylene, mixed

xylene is converted into para which go to PTA, mixed xylene converted into OX which go to PA.

So, direct there is no correlation. Of course, 0.6% to 0.7%, but directionally, whenever the crude price goes up, OX goes up and OX goes up, PX goes up. Directionally, you are right, but you can't pinpoint the absolute correlation in terms of, if it goes INR100, it will go to INR60, INR70, INR80, INR50, there is no direct correlation.

If you take average, it comes 0.6%, but sometimes we have seen the crude prices going up, naphtha prices going down. So, right now, all prices are behaving in a very different way than what it was historically, but typically, historically, it has 0.6 correlation. Directionally, it is correlated, but one to one, it is 0.6 to 0.7.

Majid Ahamed: Got it sir. Sir, finally, just want to understand, by FY 2027 or 2028, how do you see the PAN and non-PAN business mix in terms of volume?

Pramod Bhandari: So, we expect PAN to be between 220 to 230 and -- when I am saying 220 to 230 is what we are able to -- we'll be able to sell, 20 to 25 will be used in the plasticizers and the DEP and we expect plasticizers to come around 60,000 to 75,000 tons and DEP is around 10,000 to 12,000 tons.

So, overall, if you optimally utilize all the plants, including five PA, DEP and plasticizers, you expect to have INR3,000 crores to INR3,200 crores of revenue.

Majid Ahamed: INR3,000 crores to INR3,200 crores of revenue at what level of realisation sir?

Pramod Bhandari: Then I am talking about not only elevated prices, but normalized price scenario. So, now the prices are high, it may be much more higher than INR3,000 crores, but we should not take these prices as a model for forever. So, whenever prices is moderated, say, INR1,000 to INR1,100 for phthalic and all that, at that rate, we will be able to touch INR3,000 crores.

Majid Ahamed: Okay. Yes, sir. That's all from me.

Moderator: Thank you. Our next question is a question from Riya Mehta with Aequitas Investment. Please go ahead.

Riya Mehta: Thank you so much for allowing me for the follow-up. I just wanted to understand with the current quarter, if I am going 50,000 tons and if I have my company margin of around \$250, I am not able to understand the match for the gross profit. Could you help me with that?

Pramod Bhandari: No. We never mentioned about \$250. It is a \$150 to \$200.

Riya Mehta: \$150 plus \$100, right?

Pramod Bhandari: \$150 to -- actually, for Jan-Feb, it was \$100 to \$150. And March, it is \$150 to \$200. And there was some recovery. We had a loss of around INR20-25 crores in nine months on account of inventory, which we are also able to recover. If you put all three together, you'll be able to get it. So, the gross margin for the company for the last quarter was around INR148 crores.

- Riya Mehta:** Right.
- Pramod Bhandari:** That's it. In INR148 crores, you can convert it into the dollar and then you divide it with the quantity. You will be able to get it, which will be \$100 higher than the market margin. Because of by-product, inclusion of by-product, and you'll get it.
- Riya Mehta:** Okay, got it. And in terms of non-phthalic, what we have around INR160 crores, how do you see that number shaping for us, because considering the entire amount will come to EBITDA? Just wanted to understand your sense on it, based on the current situation?
- Pramod Bhandari:** So, actually, not the entire amount, the amount which links with the maleic and benzoic acid will come to EBITDA. For DEP, the entire amount will not come because DEP's gross margin is 10% to 15%, that will come to EBITDA. The other product will have a plasticizer, which we are going to start very soon. That contribution, you can see between \$200 to \$250, but that is not all coming into EBITDA. That will be the revenue from other products. So, for next year, when we are talking about -- we see between INR300 crores to INR350 crores of revenue coming from plasticizer, maleic, benzoic acid, and DEP.
- Riya Mehta:** Got it. Got it. And out of that, maleic and benzoic acid is something which goes -- flows directly to EBITDA?
- Pramod Bhandari:** Mostly, 90%, 95%, Yes.
- Riya Mehta:** And how much have the MAN prices gone up?
- Pramod Bhandari:** MAN prices, actually, in the international market, it was actually in Jan -- till Jan, it was \$650 to \$700. In April, it has gone as high as \$1,100, \$1,150, right now, hovering around \$1,000.
- Riya Mehta:** Okay. This is despite China dumping, right?
- Pramod Bhandari:** I think -- I'm talking about the international price. I'm not talking about the IG or all. It's an international price.
- Riya Mehta:** Okay. Just to get a sense on China dumping scenario, with us understanding that demand might be impacted in the near-term -- mid to near-term, what kind of dumping are you currently seeing in, just in case of phthalic, why have you seen that--?
- Pramod Bhandari:** China is not dumping. They are selling their product in the international market. We call dumping when they're trying to sell below market prices. They are selling in line with the market prices. Because they have extra capacity, they are flooding the entire world with their products. And since their cost of production is low, and they work on a marginal cost, the other companies are not able to match their prices. So, I will not say dumping. It is their way of looking at the thing.
- But right now, I think China has the capacity till they get into BDO, PBT, PBAT, till then, that excess capacity is there. You heard that one of the biggest player, Huntsman, has shut down their plant in Germany. Right now, they are operating five plants, they are operating three. Out of

that, two is in the U.S. for maleic anhydride. So, they continue to do so. And they believe that in Germany and Europe, China is putting so much of maleic, so they shut down their facility. So, China continues to remain dominant force in maleic probably next two to three years.

Riya Mehta: And in terms of phthalic, after the shutdown, do we see that the oversupply scenario will reduce?

Pramod Bhandari: I don't think India has oversupply. If everybody is operating at 70%, 80%, there is no oversupply. But when we assume everybody is operating at 100% and not exporting, then there will be oversupply, because we are also 10% to 15%, we are exporting into the export market. India is having import, India is having export, and everybody is operating at a moderate level. So, it's fine. In one or two years, when the demand grows at 5%, again, you will see there is a deficit in India of phthalic, say, 2028, 2029. So, I think it's a demand/supply scenario that will automatically create equilibrium over the period of time.

Riya Mehta: Got it. Thank you so much.

Pramod Bhandari: Thank you.

Moderator: Thank you. Our next question is a follow-up from Trushank Jani with Moneybee. Please go ahead.

Manan: Yes, hi, sir. Thank you for the follow-up. Sir, my question was, with the fifth plant commissioning and given the current improved spreads, why aren't you thinking of exporting the incremental surplus capacity that is there over and above what would be required for your plasticizers?

Pramod Bhandari: So, you can think of that. And you are thinking we are not operating fifth plant. We are actually operating fifth plant when we are talking about 2 lakh tons and 16,000 tons. So, we plan based on what is the domestic consumption, what is our export market, we sell 10% to 15% export, and what is the internal consumption. So, when I'm giving a guidance of 2 lakh tons, then it is wrong to assume we are not operating five plant.

Manan: No, but, sir, when we did not have the fifth plant, we were still managing to do around 2 lakh tons, right?

Pramod Bhandari: Yes, Yes, Yes. So, right now, when we operate, there will be one or two plants shut down. During that, one plant will be shut down, four plants will be operating. And from four plants, we will be exporting. We are supplying it to the plasticizer and selling it in the domestic market also. It can be higher.

Manan: That means four plants -- when we had four plants, even that time there would have been shutdowns. And despite that, we were managing to do around 2 lakh tons. Now, with the fifth plant, and with the shutdowns, we incremental that we are able to manage only it's a 10% to 15% more.

Pramod Bhandari: Yes, it all depend upon the cost benefit. Generally, we wanted to have the full capacity of all the plants when we have 80% to 90% utilization of plasticizer. We don't want to have a scenario where we need to compete with China and other players in export market.

Plasticizer is a domestic game. If plasticizer goes to say 50,000, 60,000, 70,000 tons, you will automatically see all plants will be operating.

Manan: But sir, even if you -- I mean, it's not a very large capacity that you--

Pramod Bhandari: I think it's better for me to remain conservative while giving the projections. It will be reflected in the result. I don't want to be over-optimistic today in my projection.

Manan: Sure. And sir any of the end user industry of phthalic, are you seeing anywhere a better demand because of all this or that is not the case in any of the downstream use cases?

Pramod Bhandari: If you believe that Indian consumers are not price-sensitive at 60% higher prices, they will be happy to buy, I don't think so. But some of the industries are able to transfer the price like paints are able to do. Speciality Chemicals are able to pass on the price. Some are able to do, some are not able to do. And believe me, apart from plasticizer, where phthalic is 30% to 35%, all other industries it is 5% to 10%. So, it's not about phthalic, it's about the other products which is being used.

Manan: Understood. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will take that as our last question for today. I would now like to hand the conference over to management for closing comments. Over to you, sir.

Pramod Bhandari: Thank you very much, everyone, for joining the call. We appreciate your time, showing your interest in the company. I have only one comment. India is growing with a steady pace at GDP 6%, 6.5%. Phthalic is a big raw material or intermediate which is required for all chemicals which is linked with the direct infrastructure of the company.

We believe the demand continues to grow. Right now, there are some hiccups because of the elevated prices of the final product. But over the period of time, next six to nine months, things will normalize. Then we see the steady demand growing at between 6% to 8%. And we believe with plasticizer in place, we will have very good earning potential as well as the capacity utilization going forward. Thank you very much. Bye.

Moderator: Thank you. On behalf of IG Petrochemicals Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.