

POLYOLEFINS RUBBER CHEMICALS LIMITED

Regd. Office : Kalpataru Point, 1st Floor, Kamani Marg, Sion (E), Mumbai - 400 022

Audited Financial Results for the Year ended 31st March, 2004

(In Rs. Lacs)

| Sl. No. | PARTICULARS | Nine Months ended 31.12.2003 (Unaudited) (1) | Three Months ended 31.03.2004 (Unaudited) (2) | Year ended 31.03.2004 (Audited) (3) | Previous Period ended 31.03.2003 (13 months) (Audited) (4) |
|---------|--|---|--|--|--|
| 1 | Net Sales /Income from operations | 14,456.09 | 4,916.65 | 19,372.74 | 19,453.63 |
| 2 | Other Income | 259.21 | 365.83 | 625.04 | 699.95 |
| | | 14,715.30 | 5,282.48 | 19,997.78 | 20,153.58 |
| 3 | Total Expenditure | | | | |
| | (A) (Increase) / Decrease in stocks | (568.70) | 178.78 | (389.92) | 553.31 |
| | (B) Consumption of Raw Materials | 7,248.05 | 1,982.67 | 9,230.72 | 9,061.88 |
| | (C) Staff Cost | 837.65 | 353.54 | 1,191.19 | 1,124.95 |
| | (D) Power and Fuel | 1,186.13 | 312.48 | 1,498.61 | 1,527.12 |
| | (E) Other Expenditure | 2,826.39 | 1,214.22 | 4,040.61 | 3,552.82 |
| 4 | Interest | 223.87 | 203.81 | 427.68 | 221.49 |
| 5 | Depreciation | 401.04 | 135.00 | 536.04 | 537.39 |
| | | 12,154.43 | 4,380.50 | 16,534.93 | 16,578.96 |
| 6 | Profit before Exceptional Item and Tax | 2,560.87 | 901.98 | 3,462.85 | 3,574.62 |
| 7 | Exceptional Item - Provision for Advances | 3,619.13 | 340.00 | 3,959.13 | 3,270.17 |
| 8 | (Loss) /Profit before Tax | (1,058.26) | 561.98 | (496.28) | 304.45 |
| 9 | Provision for Tax | | | | |
| | Current Tax | (450.00) | (213.85) | (663.85) | (45.80) |
| | Deferred Tax | 875.00 | 35.00 | 910.00 | 700.00 |
| 10 | (Loss) /Profit after Tax | (633.26) | 383.13 | (250.13) | 958.65 |
| 11 | Paid up Equity Share Capital (Face value of Rs. 10/- per share) | 505.00 | 505.00 | 505.00 | 505.00 |
| 12 | Reserves excluding revaluation reserve | | | 12,512.70 | 12,060.91 |
| 13 | Basic / Diluted Earnings per share (in Rs.) | (12.54) | 7.59 | (4.95) | 19.12 |
| 14 | Aggregate of non-promoter shareholding | | | | |
| | - Number of Shares | 3,363,110 | 3,362,766 | 3,362,766 | 3,362,832 |
| | - Percentage of Shareholding | 66.60 | 66.59 | 66.59 | 66.59 |

Notes

1. Pursuant to the rehabilitation scheme (SS) of Mafatlal Industries Limited's (MIL), its Chemical Division was demerged and vested in the Company with effect from 1st March 2002. As per the SS, the Company is to invest Rs. 9,000.00 lacs in MIL by September, 2004 (out of this Rs. 8,505.06 lacs has been paid till 31st March 2004). To fulfill this obligation the SS envisaged that the Company raise a term loan of Rs. 6,500.00 lacs (Rs.5,500.00 lacs raised till 31st March, 2004) and a further Rs. 2,500.00 lacs by issue of equity shares on rights basis. The terms of this rights issue, as revised in the meeting of the Board of Directors held on 10th March 2004 and filed with SEBI are as follows:

- ratio – one equity share of Rs. 10/- each for every equity share of Rs. 10/- each held in the Company on the record date (to be fixed by the Board of Directors);
- issue price – in the band of Rs. 50/- and Rs. 60/- per share, inclusive of premium;
- number of shares offered – 50,49,999
- issue size - aggregate in value ranging between Rs. 2,525.00 lacs and Rs.3,030.00 lacs.

2. The SS of MIL, *inter-alia*, also envisaged creation of Sulakshana Securities Limited (SSL), to take over certain identified assets and term loan liabilities of MIL with the objective of repaying them by disposing off the assets thus transferred. The Company is required to give a corporate guarantee to the effect that in case SSL fails to discharge the settled liabilities to the secured term lenders, within thirty months of the SS, then the Company would make payment of the unpaid amount to them with a right on the remaining assets of SSL as available to a guarantor under sections 140 and 141 of the Indian Contracts Act.

3. The Board of Directors have recommended a maiden dividend of 20% (Rs. 2/- per share) on the equity shares of Rs. 10/- each.

4. In view of a large negative net worth of MIL as on 30th September, 2003, a provision has been made against the amounts funded to MIL, disclosed as an exceptional item.

5. Pursuant to MIL's SS, and the provisions of section 22A of the Income-tax Act, 1961, the balance of unabsorbed depreciation, aggregating to Rs. Nil during the quarter ended 31st March, 2004 (aggregate to date, Rs. 833.65 lacs), relating to the Chemical Division of MIL has been set-off against the taxable income of the Company and provision for tax has been made accordingly.

6. As the equity shares of the Company were listed for the first time, on 30th September, 2003 on The Stock Exchange, Mumbai and on 7th October, 2003 on The Stock Exchange – Ahmedabad, figures for the corresponding quarter of the previous period (column 3) are not given.

7. There were no complaints from investors pending at the beginning of the quarter. The Company received and resolved 34 such complaints during the quarter ended 31st March, 2004 (148 complaints during the year then ended) and consequently there are no complaints pending at the end of the quarter/ financial year.

8. The Company operates solely in the chemical business segment.

9. Previous period's figures have been regrouped wherever necessary to correspond with those of the current year/ period.

10. The results of the quarter/ year ended 31st March, 2004 have been taken on record by the Board of Directors at its meeting held on 6th May, 2004.

For Polyolefins Rubber Chemicals Ltd

(H.A. Mafatlal)
(Chairman & Managing Director)

Mumbai dated, 6th May, 2004