

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

Unaudited Financial Results for the Quarter/Half year ended 30th September 2003

(In Rs. Lakhs)

	PARTICULARS	Quarter ended 30.09.2003 (Unaudited)	Half Year ended 30.09.2003 (Unaudited)	Previous Period ended 31.03.2003 (13 months) (Audited)
1	Net Sales /Income from operations	4763.23	10503.32	19453.63
2	Other Income	91.22	153.51	699.95
		4854.45	10656.83	20153.58
3	Total Expenditure			
	(A) (Increase) / Decrease in stocks	(560.82)	(363.00)	553.31
	(B) Consumption of Raw Materials	2676.00	5172.35	9061.88
	(C) Staff Cost	276.12	548.41	1124.95
	(D) Power and Fuel	424.60	827.11	1527.12
	(E) Other Expenditure	1110.45	2032.41	3552.82
4	Interest	44.75	90.57	221.49
5	Depreciation	133.23	268.31	537.39
		4104.33	8576.16	16578.96
6	Profit before Exceptional Item and Tax	750.12	2080.67	3574.62
7	Exceptional Item - Provision for Advances	1047.20	1047.20	3270.17
8	(Loss) /Profit before Tax	(297.08)	1033.47	304.45
9	Provision for Tax			
	Current Tax	(197.00)	(336.00)	(45.80)
	Deferred Tax	330.00	5.00	700.00
10	(Loss) /Profit after Tax	(164.08)	702.47	958.65
11	Paid up Share Capital (Face value of Rs. 10/- per share)	505.00	505.00	505.00
12	Reserves excluding revaluation reserve			12060.91
13	Basic / Diluted Earnings per share (in Rs.)	(3.25)	13.91	19.12
14	Aggregate of non-promoter shareholding			
	- Number of Shares	3362842	3362842	3362832
	- Percentage of Shareholding	66.59	66.59	66.59

NOTES

1. Pursuant to the rehabilitation scheme (SS) of Mafatlal Industries Limited (MIL) sanctioned by the Board of Industrial and Financial Reconstruction (BIFR), dated 30th October, 2002, issued on 15th November, 2002, the Company has taken over the Chemical Division of MIL as a going concern, retrospectively, with effect from the appointed date, i.e. 1st March, 2002. Consequently, figures for the corresponding months in the previous year were included in MIL's unaudited results last year and hence have not been given.

2. The SS of MIL, inter-alia also envisages demerger of its Real Estate and Investment Business into Sulakshana Securities Limited (SSL), which will take over certain identified assets and liabilities of secured term lenders of MIL. SSL would be repaying these term lenders by disposing off the assets thus transferred. The Company is required to give a corporate guarantee to the effect that in case the settlement amount to certain secured term lenders of MIL along with interest for delayed period, if any, is not paid by SSL, within thirty months of the sanction of the SS, then the Company would make payment of the unpaid amount to them. In case the Company is called upon to make any payment to these secured term lenders of MIL then the Company would have all rights on the remaining assets of SSL as available to a guarantor under sections 140 and 141 of Indian Contracts Act.

3 a. As per the SS of MIL, the Company is required to invest in MIL an amount of Rs. 9,000.00 lacs by September, 2004. Pursuant to this, the Company is to raise Rs. 2,500.00 lacs by issue of equity shares on rights basis to its existing shareholders. The Company has commenced exercise in this regard. The balance Rs. 6,500.00 lacs is to be raised by way of long-term borrowings (out of which, subsequent to the quarter/half year end, the Company has raised Rs. 3,500.00 lacs). Of the aforementioned requirement of Rs. 9,000.00 lacs, the Company has given Rs. 5,079.27 lacs to MIL till 30th September, 2003.

b. As per the latest audited financial statements of MIL, as at 30th September, 2002, the accumulated losses of Rs. 48,302.94 lacs far exceed its shareholder's funds of Rs. 21,028.71 lacs. In view thereof, provision has been made against aforesaid advances and has been disclosed as an exceptional item.

4. Pursuant to MIL's SS, 'Income-tax Department to grant exemption from compliance of conditions contained in section 2(19AA) of the Income-tax Act, 1961, with regard to de-merger of Chemical Division'. Accordingly, as per the provisions of section 72A of the Income-tax Act, 1961, the balance of unabsorbed depreciation, aggregating to Rs. Nil during the quarter (total for half year, 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 is calculated accordingly.

5. 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.

6. There were no complaints from investors pending at the beginning of the quarter. The Company has received and resolved twenty-five such complaints during the quarter and consequently, there are no complaints pending at the end of the quarter.

7. During the period, the Company has changed its policy for valuation of raw materials at its Dewas Unit from FIFO to weighted average basis. The difference in value of closing stock as at 31st March, 2003 would not have been material as a result of this change and hence no adjustment in value thereof has been made.

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

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

10. The results for the quarter/half year ended 30th September, 2003, have been taken on record by the Board of Directors at its meeting held on 30th October, 2003 and have been subjected to limited review by the statutory auditors.

For Polyolefins Rubber Chemicals Limited

(H. A. Mafatlal)
Chairman & Managing Director

Mumbai, dated, 30th October, 2003