

POLAR INDUSTRIES LTD
R.O.: 113, Park Street, Kolkata-700 016

Unaudited Financial Results for the IInd Quarter And Half Year ended 30th Sept '2009

Rs In Lacs

| Particulars | Quarter Ended | | Six Month Ending | | 12 Months |
|---|----------------|-------------------|------------------|-------------------|-------------------|
| | 30.09.09 | 30.09.08 | 30.09.09 | 30.09.08 | Ended |
| | | | | | 31.03.2009 |
| | | | | | Audited |
| 1(a).Net Sales / Income from operation | 682.86 | 2,378.59 | 1,956.24 | 5,708.53 | 9,361.11 |
| (b)Other Operating Income | 16.84 | 32.43 | 152.04 | 93.66 | 148.30 |
| Total (a+b) | 699.70 | 2,411.02 | 2,108.28 | 5,802.19 | 9,509.41 |
| 2 Expenditure | | | | | |
| a) (Increase)/decrease in stock in trade and work in progress. | 70.89 | 265.89 | 251.99 | 362.48 | 1,026.78 |
| b) Consumption of raw material | 273.11 | 234.61 | 715.42 | 548.76 | 799.45 |
| c) Purchase of Traded Goods | 4.69 | 1,427.23 | 336.09 | 3,645.46 | 6,325.82 |
| d) Staff Cost | 129.71 | 474.34 | 270.17 | 785.73 | 1,237.49 |
| e) Depreciation | 11.19 | 16.86 | 25.29 | 35.79 | 70.82 |
| f) Other expenditure | 230.07 | 878.84 | 602.11 | 1,491.87 | 2,740.97 |
| g) Total | 719.65 | 3,297.77 | 2,201.08 | 6,870.09 | 12,201.33 |
| 3. Profit/(Loss) from Operation before other income,interest & Exceptional items | (19.95) | (886.75) | (92.80) | (1,067.90) | (2,691.92) |
| 4. Other Income | 31.43 | 36.57 | 34.07 | 51.71 | 1,109.34 |
| 5. Profit before interest & Exceptional items | 11.48 | (850.18) | (58.73) | (1,016.19) | (1,582.58) |
| 6. Interest | 24.85 | 212.79 | 60.24 | 365.70 | 162.77 |
| 7. Profit after interest but before Exceptional items | (13.37) | (1,062.97) | (118.97) | (1,381.89) | (1,745.35) |
| 8. Exceptional Items | | | | | |
| (a) Bad Debts written off | - | - | - | - | - |
| (a) Interest/Principal written back on restructuring of loans (Net) | - | - | - | - | (299.23) |
| (c) Compensation Charges | - | - | - | - | - |
| 9. Profit/(Loss) from ordinary activities before tax | (13.37) | (1,062.97) | (118.97) | (1,381.89) | (1,446.12) |
| 10. Tax Expenses - Current | | | | | |
| - Fringe Benefit Tax | - | 5.87 | - | 9.81 | 17.70 |
| 11. Profit/(Loss) from ordinary activities after tax | (13.37) | (1,068.84) | (118.97) | (1,391.70) | (1,463.82) |
| 12 Extra Ordinary Items (Net of Tax Expense) | | | | | |
| Less: Transfer from Debenture redemption reserves | - | - | - | - | 55.32 |
| 13. Net Profit (+)/ Loss (-) for the period | (13.37) | (1,068.84) | (118.97) | (1,391.70) | (1,408.50) |
| 14. Paid up equity share capital | 2,120.21 | 1,812.78 | 2,120.21 | 1,812.78 | 1,812.78 |
| (Face value Rs. 10 per share) | | | | | |
| 15. Reserve (Excluding Revaluation Reserve) | - | - | - | 2,906.34 | - |
| as per last audit balance sheet | | | | | |
| 16. Basic and Diluted EPS | | | | | |
| (Face value Rs.10/- per share) | | | | | |
| i) Before Exceptional items | (0.07) | (5.90) | (0.58) | (7.68) | (9.73) |
| ii) After Exceptional items | (0.07) | (5.90) | (0.58) | (7.68) | (8.08) |
| 17. Public shareholdings (Aggregate of non-promoter shareholdings) | | | | | |
| -Number of shares | 13283598 | 10209298 | 13283598 | 10209298 | 10209298 |
| -Percentage of shareholdings | 62.65% | 56.32% | 62.65% | 56.32% | 56.32% |
| 18. Promoters and promoter group Share holding | | | | | |
| a) Pledged / Encumbered | | | | | |
| - Nos. of shares | 7838335 | | 7838335 | | 7836589 |
| -Percentage of shares | 98.99% | | 98.99% | | 98.97% |
| -Percentage of share capital | 36.97% | | 36.97% | | 43.73% |
| b) Non Pledged / Encumbered | | | | | |
| - Nos. of shares | | | | | |
| -Percentage of shares | | | | | |
| Promoter and promoters group | 80135 | | 80135 | | 81881 |
| -Percentage of shares | 1.01% | | 1.01% | | 1.03% |
| -Percentage of share capital | 0.38% | | 0.38% | | 0.45% |

Place: Kolkata
Dated 29.10.2009

Segment Reporting

Rs In Lacs

| Particulars | Quarter Ended | | Six Month Ending | | 12 Months |
|---|-------------------|-------------------|-------------------|-------------------|--------------------------------|
| | 30.09.09 | 30.09.08 | 30.09.09 | 30.09.08 | Ended 31.03.2009 Audited |
| Segment Revenue | | | | | |
| a.Fan Segment | 590.23 | 1,980.79 | 1,841.01 | 5,079.19 | 8,397.30 |
| b.Appliances | 53.63 | 321.50 | 112.90 | 472.28 | 746.67 |
| c.Light & Luminaries * | (2.08) | 18.84 | 93.75 | 47.26 | 56.96 |
| d. Water Lifting Pump | 57.92 | 89.88 | 60.63 | 203.45 | 308.48 |
| Total | 699.70 | 2,411.01 | 2,108.28 | 5,802.18 | 9,509.41 |
| Segment Results | | | | | |
| Profit/(Loss) before tax and Interest | | | | | |
| a.Fan Segment | 78.93 | (734.61) | 205.10 | (916.71) | (1,475.10) |
| b.Appliances | (13.65) | (65.89) | (6.68) | (95.81) | (202.77) |
| c.Light & Luminaries | (2.07) | (23.92) | (41.64) | (34.89) | (67.38) |
| d. Water Lifting Pump | 12.28 | (21.04) | 11.83 | 3.14 | (49.10) |
| Total | 75.48 | (845.46) | 168.61 | (1,044.27) | (1,794.34) |
| Less:(i) Interest | 24.85 | 212.79 | 60.24 | 365.70 | 162.77 |
| (ii) Other Un-allocable Expenses (net of income) | 64.01 | 4.73 | 227.34 | (28.08) | (211.76) |
| Profit/(Loss) before Tax and Exceptional Items | (13.38) | (1,062.98) | (118.97) | (1,381.89) | (1,745.35) |
| Add:-Extra Exceptional Items | | | | | |
| (a) Provision for doubtful debts | - | - | - | - | - |
| (b) Interest/Principal written back on restructuring of loans (Net) | - | - | - | - | 299.23 |
| (c) Compensation Charges | - | - | - | - | - |
| Profit/ (Loss) before Tax | (13.37) | (1,062.97) | (118.97) | (1,381.89) | (1,446.12) |
| Capital Employed | | | | | |
| (Segment Assets -Segment Liabilities) | | | | | |
| a.Fan Segment | (8,505.98) | (8,619.09) | (8,505.98) | (8,619.09) | (8,804.65) |
| b.Appliances | (270.11) | (311.72) | (270.11) | (311.72) | (421.00) |
| c.Lightning Segment | (521.85) | (474.88) | (521.85) | (474.88) | (480.21) |
| d. Water Lifting Pump | (47.66) | 2.63 | (47.66) | 2.63 | (59.40) |
| e.Others | 5,219.61 | 5,934.78 | 5,219.61 | 5,934.78 | 6,719.38 |
| Total Capital Employed | (4,126.01) | (3,468.28) | (4,126.01) | (3,468.28) | (3,045.89) |

* Sale Return for the quarter ended 30.09.09

- Other operating income includes Rs14.40 Lacs as Foreign Exchange Fluctuation during the quarter.
- Auditors have qualified their report on the audited accounts for the year ended 31.03.2009 (a) for preparation of accounts on going concern basis as the net worth has become negative (b) regarding remuneration paid in earlier year to an ex director for which Central Government approval is awaited (c) regarding written back of dues to banks and financial institutions on OTS/ restructuring which is subject to compliance of terms and conditions and non provision of interest of Rs 9.43 lac (till Date Rs 56.58 lac) on remaining loan. (d) regarding uncertainty in the realisation of finished goods stocks of suspended line of business segments (e) regarding non provision of diminution in value of long term investment and (f) regarding recalling of loan by a secured lender (g) regarding corporate guarantee given to financial institute and Govt bodies in excess of approved limit and due to financial constraints all the parties have suspended their operation .

The management reply to the auditors' qualification are (a) On OTS of the above dues (as referred above) , induction of further working capital, closure of non profitable segments and future profit, the net worth may become positive. (b) Company has already applied to the Central Government and sanction is awaited

(c) Company has taken necessary steps for compliance of terms of restructuring. d) Company has sold part of the inventories and balance is being disposed off (e) These investment are of strategic nature and market value of the same shall be recovered in due course.(f) ARCIL has taken possession of Maharani Bagh property situated at New Delhi u/s 13(4) of the (SARFAESI Act 2002) on 31.07.2009 and the matter is under discussion with secured lender for one time settlement.(g) No notice have been received by the company from any institutions, Govt bodies for invocation of the corporate guarantee given by the Company.
- The Company in order to concentrate fully on its core business has restructured its operations and suspended non profit making business segments, resulting much lower sale volume in the quarter.
- Basic & Diluted EPS has been calculated after considering arrears of Dividend on Cumulative Preference Shares.
- There were no complaints from investors outstanding at the beginning of the quarter and 3 complaints was received during the quarter ending at 30.09.09 & no Complaint outstanding at the end of the quarter.
- The Company has received Rs. 1,12,30,000/- towards upfront money against allotment of 39,00,000 Zero Coupon Convertible warrants to associates of promoters up to 30.09.2009.
- The Company has disposed off all its assets (except patterns, dyes, jigs & fixtures) of it's SUMACH Division situated at Kolkata with approval of secured lenders in the month of September '09. and shifted it's operation to 147, Neelganj Road, Kolkata -56. In the opinion of the management sale of all its assets will not affect the ability of the Company to continue as a going concern.
- Figures for the corresponding quarter/half year and that of previous year are regrouped / reclassified wherever considered necessary.
- The above results have been approved by the Board of Directors at their meeting held on 29.10.2009.

By Orders of the Board
for POLAR INDUSTRIES LIMITED

Place: Kolkata
Dated 29.10.2009

Sunil Agarwal
Vice Chairman