

**Sambandam Spinning Mills Limited**

Regd. Office: Mill Premises, Kamaraj Nagar Colony, Salem 636 014.

Financial Results for the quarter/year ended March 31, 2009

Rs. lakhs

Particulars	Three months ended 31.03.09 Unaudited	Three months ended 31.03.08 Unaudited	Nine months ended 31.12.08 Unaudited	Year ended 31.03.09 Audited	Previous year ended 31.03.08 Audited
1. Net sales/Income from operations	2631	3056	9046	11677	12438
2. Other income	5	80	32	37	96
<b>3. Total income (1+2)</b>	<b>2636</b>	<b>3136</b>	<b>9078</b>	<b>11714</b>	<b>12534</b>
<b>4. Expenditure</b>					
(i) Increase(-)/Decrease in value of stocks of finished goods and work in progress	313	279	(100)	213	134
(ii) Consumption of raw materials	1284	1450	5466	6750	6641
(iii) Purchase of traded goods	--	--	--	--	--
(iv) Employees cost	278	289	771	1049	1123
(v) Power and fuel - net	126	48	800	926	736
(vi) Depreciation/amortisation	271	207	732	1003	817
(vii) Other expenditure	223	278	695	919	1592
(viii) Total expenditure	2495	2551	8364	10860	11043
5. Interest - net	327	239	1066	1392	981
6. Exceptional item - income	--	--	--	--	346
<b>7. Profit/(Loss) from ordinary activities before tax (3)-(4+5+6)</b>	<b>(186)</b>	<b>346</b>	<b>(352)</b>	<b>(538)</b>	<b>856</b>
8. Tax expense					
(i) Current tax	-	-	-	-	-
(ii) Fringe benefit tax	-	(1)	4	5	5
(iii) Deferred tax liability/(withdrawal)	-	-	(76)	(161)	259
<b>9. Net profit/(loss) from ordinary activities after Tax (7-8)</b>	<b>(186)</b>	<b>347</b>	<b>(280)</b>	<b>(382)</b>	<b>592</b>
10. Extraordinary items	-	-	-	-	-
<b>11. Net profit/(loss) for the period (9-10)</b>	<b>(186)</b>	<b>347</b>	<b>(280)</b>	<b>(382)</b>	<b>592</b>
12. Paid-up Equity share capital (Face value of Rs.10 per share)	428	428	428	428	428
13. Reserves excluding revaluation reserves				2543	2943
14. Earnings per share-Basic and diluted (not annualised) in Rs.	(4.35)	8.16	(6.56)	(8.96)	13.87
15. Public shareholding					
- Number of shares	1655066	1655066	1655066	1655066	1655066
- Percentage of shareholding	38.81	38.81	38.81	38.81	38.81
16. Promoters and Promoter group shareholding					
- Number of shares	2609534	2609534	2609534	2609534	2609534
- Percentage of shareholding	61.19	61.19	61.19	61.19	61.19
- Pledged/encumbered	Nil	Nil	Nil	Nil	Nil

**Notes**

- The results for the year ended March 31, 2009 has been significantly affected by increase in cotton price and decrease in yarn selling price. The operations were also adversely affected by (a) continued power cut and erratic power supply, (b) increase in power cost due to increase of diesel price and high price of purchased power from private power producers, and (c) increased interest cost on borrowings.
- The company's expansion project, involving 10,800 spindles has been successfully completed during July 2008.
- Power cost is net of income by way of carbon credit earnings for the company's wind energy converters.
- Exceptional item for the year ended March 31, 2008 represents the compensation received, as one time settlement, for the shortfall in power generation from a supplier of wind energy converters.
- In view of the loss incurred for the year ended March 31, 2009, no provision for taxation is considered.
- The company is principally engaged in a single business segment viz., cotton yarn and operates in a single geographical segment.
- During the quarter, no investor complaints were received nor pending for redressal at the beginning and end of the quarter.
- The above financial results reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on June 25, 2009.

for Sambandam Spinning Mills Limited

 June 25, 2009  
 Salem

Chairman and Managing Director