

## Sambandam Spinning Mills Limited

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

Financial Results for the quarter/year ended March 31, 2011

Rs. lakhs

| Three months ended 31.03.10<br>Unaudited | Three months ended 31.03.11<br>Unaudited | Particulars  | Nine months ended 31.12.10<br>Unaudited | Year ended 31.03.11<br>Audited | Previous year ended 31.03.10<br>Audited |
|--|--|--|---|--------------------------------|---|
| 4148                                     | 5695                                     | 1. Net sales/Income from operations  | 14996                                   | 20691                          | 14157                                   |
| 0  | 3  | 2. Other income  | 6                                       | 8                              | 6                                       |
| 4148                                     | 5698                                     | 3. Total income (1+2)  | 15002                                   | 20699                          | 14173                                   |
|  |  | 4. Expenditure   |   |                                |   |
|  |  | (i) Increase(-)/Decrease in value of stocks of finished goods and work in progress | [464]                                   | (1,289)                        | (100)                                   |
| 36                                       | (826)                                    | (ii) Consumption of raw materials  | 8385                                    | 12338                          | 7725                                    |
| 2269                                     | 3953                                     | (iii) Purchase of traded goods   | --                                      | 2                              | --                                      |
| --                                       | 2  | (iv) Employees cost  | 1168                                    | 1603                           | 1288                                    |
| 352                                      | 436                                      | (v) Power and fuel - net   | 1261                                    | 2148                           | 1312                                    |
| 500                                      | 866                                      | (vi) Depreciation/amortisation   | 835                                     | 1114                           | 1092                                    |
| 273                                      | 280                                      | (vii) Other expenditure  | 943                                     | 1374                           | 962                                     |
| 311                                      | 432                                      | (viii) Total expenditure   | 12148                                   | 17291                          | 12279                                   |
| 3740                                     | 5143                                     | 5. Interest - net  | 1056                                    | 1487                           | 1248                                    |
| 278                                      | 432                                      | 6. Exceptional Item - Income   | --                                      | --                             | --                                      |
| --                                       | --                                       | 7. Profit/(Loss) from ordinary activities before tax (3)-(4+5+6)                   | 1,798                                   | 1,921                          | 646                                     |
| 130                                      | 123                                      | 8. Tax expense   |   |                                |   |
| --                                       | --                                       | (i) Current tax  | --                                      | --                             | --                                      |
| 37                                       | 15                                       | (ii) Deferred tax liability/(withdrawal)   | 650                                     | 665                            | 177                                     |
| 93                                       | 108                                      | 9. Net profit/(loss) from ordinary activities after Tax (7-8)                      | 1,148                                   | 1,256                          | 469                                     |
| --                                       | --                                       | 10. Extraordinary items  | --                                      | --                             | --                                      |
| 93                                       | 108                                      | 11. Net profit/(loss) for the period (9-10)  | 1,148                                   | 1,256                          | 469                                     |
| 428                                      | 428                                      | 12. Paid-up Equity share capital (Face value of Rs.10 per share)                   | 428                                     | 428                            | 428                                     |
|  |  | 13. Reserves excluding revaluation reserves  |   | 4040                           | 2995                                    |
| 2.18                                     | 2.53                                     | 14. Earnings per share-Basic and diluted (not annualised) in Rs.                   | 26.92                                   | 29.45                          | 11.00                                   |
|  |  | 15. Public shareholding  |   |                                |   |
| 1655366                                  | 1655366                                  | - Number of shares   | 1655366                                 | 1655366                        | 1655366                                 |
| 38.82                                    | 38.82                                    | - Percentage of shareholding   | 38.82                                   | 38.82                          | 38.82                                   |
|  |  | 16. Promoters and Promoter group shareholding                                      |   |                                |   |
| 2609234                                  | 2609234                                  | - Number of shares   | 2609234                                 | 2609234                        | 2609234                                 |
| 61.18                                    | 61.18                                    | - Percentage of shareholding   | 61.18                                   | 61.18                          | 61.18                                   |
| Nil                                      | Nil                                      | - Pledged/encumbered   | Nil                                     | Nil                            | Nil                                     |

## Notes:

- Interest - net includes (i) foreign currency transaction and translation loss (net) relating to financial cost of Rs.87.56 lakhs and Rs.89.55 lakhs for the year ended March 31, 2011 and December 31, 2010 respectively and (ii) foreign currency transaction and translation gain(net) of Rs.1.99 lakhs; Rs.35.06 lakhs and Rs.49.10 lakhs for the three months ended March 31, 2011, three months ended March 31, 2010 and for the year ended March 31, 2010 respectively.
- Power cost for the quarter and year ended March 31, 2011 is after reckoning the reversal of carbon credit accrued in prior years of Rs.165 lakhs due to rejection of claim and Rs.53 lakhs as a measure of abundant caution due to inordinate delay in issuing validation report.
- In view of the MAT credit entitlement under section 115JAA of the Income tax Act, 1961, no provision for current income tax has been considered.
- In addition to the interim dividend of Rs.2 per equity share of Rs.10 each declared on January 29, 2011, the board has recommended, subject to approval of bank, a final dividend of Rs.2 per equity share of Rs.10 each.
- 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.



For Sambandam Spinning Mills Ltd.

(S. DEVARAJAN)  
Chairman and Managing Director

7. Disclosure of assets and liabilities as per clause 4(i)(e) of the listing agreement for the year ended March 31, 2011

Rs. lakhs

| Assets and liabilities  | Year                  | Previous              |
|---|-----------------------|-----------------------|
|   | ended                 | year ended            |
|   | (Audited)<br>31.03.11 | (Audited)<br>31.03.10 |
| <b>1. Sources of funds</b>  |                       |                       |
| <b>Shareholders' funds</b>  |                       |                       |
| Capital   | 428                   | 428                   |
| Reserves and surplus  | 6967                  | 5960                  |
|   | 7395                  | 6388                  |
| <b>Loan funds</b>   |                       |                       |
| Secured loans   | 18004                 | 15448                 |
| Unsecured loans   | 791                   | 749                   |
|   | 18795                 | 16197                 |
|   |                       |                       |
| Deferred tax liability-net  | 2912                  | 2247                  |
|   | 29102                 | 24832                 |
| <b>2. Application of funds</b>                                      |                       |                       |
| Fixed assets less depreciation [including capital work in progress] | 17801                 | 18482                 |
| Investments   | 210                   | 210                   |
| <b>Current assets, loans and advances</b>                           |                       |                       |
| Inventories   | 10194                 | 4905                  |
| Sundry debtors  | 3321                  | 1653                  |
| Cash and bank balances  | 249                   | 382                   |
| Other current assets  | 262                   | 355                   |
| Loans and advances  | 1388                  | 992                   |
|   | 15414                 | 8287                  |
| Less Current liabilities and provisions                             |                       |                       |
| Liabilities   | 4002                  | 1931                  |
| Provisions  | 324                   | 225                   |
|   | 4326                  | 2156                  |
| Net current assets  | 11088                 | 6131                  |
|   |                       |                       |
| <b>Miscellaneous expenditure</b>                                    | 3                     | 9                     |
|   | 29102                 | 24832                 |

8. The above financial results reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on May 23, 2011.

On behalf of the Board of Directors

Place : Salem  
Dated: May 23, 2011

S. Devarajan  
Chairman and Managing Director



**For Sambandam Spinning Mills Ltd.**

  
**(S. DEVARAJAN)**  
Chairman and Managing Director