

Sambandam Spinning Mills Limited

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

Unaudited Financial Results for the period ended December 31, 2008

Rs. lakhs

Corresponding three months ended 31.12.07	Three months ended 31.12.08	Particulars	Nine months ended 31.12.08	Corresponding nine months ended 31.12.07	Previous year ended Audited 31.03.08
2678	2870	1. Net sales/Income from operations	9046	9382	12438
4	13	2. Other income	32	16	96
2682	2883	3. Total income (1+2)	9078	9398	12534
		4. Expenditure			
		(i) Increase(-)/Decrease in value of stocks of finished goods and work in progress	(100)	(145)	134
(123)	173	(ii) Consumption of raw materials	5466	5191	6641
1486	1797	(iii) Purchase of traded goods	--	--	--
--	--	(iv) Employees cost	771	834	1123
261	202	(v) Power and fuel - net	800	687	736
321	438	(vi) Depreciation/amortisation	732	610	817
214	265	(vii) Other expenditure	695	1315	1592
371	206	(viii) Total expenditure	8364	8492	11043
2530	3081	5. Interest - net	1066	742	981
235	392	6. Exceptional item - income	--	346	346
--	--	7. Profit/(Loss) from Ordinary activities before tax (3)-(4+5+6)	(352)	510	856
(83)	(590)	8. Tax expense			
		(i) Current tax	--	--	--
--	--	(ii) Fringe benefit tax	4	3	5
3	4	(iii) Deferred tax	(76)	221	259
39	(140)	9. Net profit/(loss) from Ordinary activities after Tax (7-8)	(280)	286	592
(125)	(454)	10. Extraordinary items	--	--	--
--	--	11. Net profit/(loss) for the period (9-10)	(280)	286	592
(125)	(454)	12. Paid-up Equity share capital (Face value of Rs.10 per share)	428	428	428
428	428	13. Reserves excluding revaluation reserves			2943
		14. Earnings per share-Basic and diluted (not annualised) in Rs.	(6.56)	6.70	13.87
(2.92)	(10.66)	15. Public shareholding			
		- Number of shares	1655066	1655066	1655066
1655066	1655066	- Percentage of shareholding	38.81	38.81	38.81
38.81	38.81				

Notes

- The results for the quarter ended December 31, 2008 has been significantly affected by (a) increase in cotton price, (b) decrease in yarn selling price, (c) continued power cut and erratic power supply resulting in consequent increase in power cost due to increase of diesel price and high price of purchased power from private power producers, and (d) increased cost on borrowings.
- Power cost for the year ended March 31, 2008, for the three months and nine months ended December 31, 2008 is net of income by way of carbon credit earnings of Rs.336 lakhs, Rs.(9) lakhs and Rs.28 lakhs respectively for the company's 6.10 MW wind energy converters, pertaining to the period from March 2003 to December 2008.
- Exceptional item for the period ended December 31, 2007 and 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 three and nine months ended December 31, 2008, no provision for taxation is considered.
- The company is principally engaged in a single business segment viz., cotton yarn and operates in 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 unaudited financial results reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on January 29, 2009.

for Sambandam Spinning Mills Limited

 Salem,
January 29, 2009

Chairman and Managing Director