

Sambandam Spinning Mills Limited

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

Unaudited financial Results for the quarter ended June 30, 2011

Rs. lakhs

| Particulars | Three months ended 30.06.11 | Corresponding three months ended 30.06.10 | Previous year ended 31.03.11 |
|---|-----------------------------|---|------------------------------|
| | Unaudited | Unaudited | Audited |
| 1. Net sales/Income from operations | 4571 | 4564 | 20691 |
| 2. Other income | 4 | 0 | 8 |
| 3. Total income (1+2) | 4575 | 4564 | 20699 |
| 4. Expenditure | | | |
| (i) (Increase)/Decrease in value of stocks of finished goods and work in progress | (580) | (315) | (1,289) |
| (ii) Consumption of raw materials | 3648 | 2500 | 12340 |
| (iii) Purchase of traded goods | -- | -- | 2 |
| (iv) Employees cost | 415 | 356 | 1603 |
| (v) Power and fuel - net | 411 | 538 | 2148 |
| (vi) Depreciation/amortisation | 281 | 273 | 1114 |
| (vii) Other expenditure | 318 | 266 | 1374 |
| (viii) Total expenditure | 4493 | 3618 | 17292 |
| 5. Interest - net | 492 | 438 | 1487 |
| 6. Exceptional item - income | -- | -- | -- |
| 7. Profit/(Loss) from ordinary activities before tax (3)-(4+5+6) | (410) | 508 | 1,920 |
| 8. Tax expense | | | |
| (i) Current tax | -- | -- | - |
| (ii) Deferred tax liability/(withdrawal) | (180) | 140 | 665 |
| 9. Net profit/(loss) from ordinary activities after Tax (7-8) | (230) | 368 | 1,255 |
| 10. Extraordinary items | -- | -- | - |
| 11. Net profit/(loss) for the period (9-10) | (230) | 368 | 1255 |
| 12. Paid-up Equity share capital (Face value of Rs.10 per share) | 428 | 428 | 428 |
| 13. Reserves excluding revaluation reserves | | | 4040 |
| 14. Earnings per share-Basic and diluted (not annualised) in Rs. | (5.39) | 8.63 | 29.45 |
| 15. Public shareholding | | | |
| - Number of shares | 1655366 | 1655366 | 1655366 |
| - Percentage of shareholding | 38.82 | 38.82 | 38.82 |
| 16. Promoters and Promoter group shareholding | | | |
| - Number of shares | 2609234 | 2609234 | 2609234 |
| - Percentage of shareholding | 61.18 | 61.18 | 61.18 |
| - Pledged/encumbered | Nil | Nil | Nil |

Notes:

1. Production out of high priced cotton and the steep fall in yarn prices during the quarter ended June 30, 2011 severally affected the gross margin resulting in loss. The impact of ban on yarn exports during the last quarter of the financial year 2010-11 had resulted in piling up of finished goods inventory during the quarter ended June 30, 2011 resulting in higher interest outgo.
2. Interest - net includes foreign currency transaction and translation loss (net) relating to financial cost of Rs.92.09 lakhs, Rs.10.57 lakhs and Rs.87.56 lakhs for the three months ended June 30, 2010, June 30, 2011 and for the year ended March 31, 2011 respectively.
3. The company is principally engaged in a single business segment viz., cotton yarn and operates in a single geographical segment.
4. During the quarter, no investor complaints were received nor pending for redressal at the beginning and end of the quarter.
5. The above financial results reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on August 11, 2011.

On behalf of the Board of Directors

Place : Salem

Dated: August 12, 2011

S.Devarajan

Chairman and Managing Director