Seshasayee
Paper and
Boards Limited

Regd. Office & Works : Pallipalayam, Namakkal District,
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N GOPALARATNAM
Chairman and Managing Director

2010 10 26

Dear Shareholders,

Sub: Un-audited Financial Results (Provisional) for the Quarter July - September 2010.

At the Board Meeting held on October 26, 2010, the Board of Directors has approved the Un-audited Financial Results (Provisional) of the Company for the Quarter July - September 2010. We enclose the statement for your reference and records.

The said statement has been posted in the Company's website www.spbltd.com.

The highlights of operations of the Company during the quarter July - September 2010 are as under :

Sl. No.	Description	Unit	Jul - Sep 2010	Jul - Sep 2009
1	Production	(t)	30449	30691
2	Sales (Includes Note Books)	(t)	30100	30294
3	Closing Stock	(t)	3803	2727
4	Exports	(t)	2217	1333
5	Turnover	₹ lakhs	14880	13338
6	Profit before Interest, Depreciation and Tax (PBIDT)	₹ lakhs	3795	3273
7	Profit before Tax (PBT)	₹ lakhs	2412	1702
8	Profit after Tax (PAT)	₹ lakhs	2522	1107
9	Cash Profit	₹ lakhs	3267	2559

Major factors that contributed to better profitability were :

- ◊ Increase in Sales Realisation, due to better market conditions.
- ◊ Lower Interest and Financing charges, due to repayment of Term Loan Instalments and closure of Working Capital borrowings.

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However, the above favourable factors were partially neutralised by :

- ◊ Increase in prices of Wood, Bagasse, Imported Coal and Chemicals.
- ◊ Higher Employee Cost, due to additional outgo on account of long term wage settlement.

MARKET

Market conditions during the quarter July - September 2010, witnessed a gradual increase in supply volumes in the domestic market, with arrival of additional tonnage from recently commissioned capacities. This exerted pressure on prices. The International market is also exhibiting similar trend where prices of Uncoated and Coated Wood Free Paper are coming down. This trend is likely to continue during the next quarter as well.

Thanking you,

Yours Sincerely

N GOPALARATNAM

Enc.: a/a

SESHASAYEE PAPER AND BOARDS LIMITED

Regd. Office: Pallipalayam, Namakkal District, Cauvery RS PO, Erode-638 007

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) OF THE QUARTER JULY-SEPTEMBER 2010

(₹ lakhs)

Sl. No.	Particulars	3 months ended		6 months ended		Year ended
		30 09 2010	30 09 2009	30 09 2010	30 09 2009	31 03 2010
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Gross Sales / Income from Operations	14880	13338	27408	25938	52897
	Less : Excise Duty	558	520	1078	1062	1971
	Net Sales / Income from Operations	14322	12818	26330	24876	50926
2	Other Operating Income	70	179	280	353	801
3	**Total Income**	**14392**	**12997**	**26610**	**25229**	**51727**
4	Expenditure :					
	a) Increase / decrease in Stock-in-Trade and Work-in-Progress	(-) 274	(-) 103	(-) 1501	(-) 928	11
	b) Consumption of Raw materials	3289	2928	6531	5958	12143
	c) Stores and Chemicals	2588	2468	5222	4817	9600
	d) Power and Fuel	2168	1962	4178	4031	7930
	e) Employees cost	1107	835	2183	1667	3399
	f) Depreciation	855	850	1700	1690	3361
	g) Other expenditure	1816	1705	3448	3229	6544
	Total	**11549**	**10645**	**21761**	**20464**	**42988**
5	**Profit from Operations before Other Income, Interest and Exceptional Items**	**2843**	**2352**	**4849**	**4765**	**8739**
6	Other Income	97	71	97	71	72
7	**Profit before Interest and Exceptional Items**	**2940**	**2423**	**4946**	**4836**	**8811**
8	Interest	528	721	1135	1553	2840
9	**Profit after Interest but before Exceptional Items**	**2412**	**1702**	**3811**	**3283**	**5971**
10	Exceptional Items	--	--	--	--	--
11	**Profit from Ordinary Activities before tax**	**2412**	**1702**	**3811**	**3283**	**5971**
12	Tax expense	(-) 110	595	(-) 173	1161	1978
13	**Net Profit from Ordinary Activities after tax**	**2522**	**1107**	**3984**	**2122**	**3993**
14	Extra-ordinary Items	--	--	--	--	--
15	**Net Profit for the period**	**2522**	**1107**	**3984**	**2122**	**3993**
16	Paid-up Equity Share Capital *(Face Value ₹ 10)*	1125	1125	1125	1125	1125
17	Reserves, excluding Revaluation Reserves and Deferred Tax as per Balance Sheet of previous accounting year					21334
18	Earning Per Share (EPS)					
	(a) Basic and diluted EPS before extra-ordinary items for the period, for the year to date and for the previous year *(not to be annualised)*	22.42	9.84	35.41	18.86	35.49
	(b) Basic and diluted EPS after extra-ordinary items for the period, for the year to date and for the previous year *(not to be annualised)*	22.42	9.84	35.41	18.86	35.49
19	Public Shareholding :					
	- Number of Shares	64 39 554	64 39 576	64 39 554	64 39 576	64 39 184
	- Percentage of Shareholding	57.24%	57.24%	57.24%	57.24%	57.24%

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) OF THE QUARTER JULY-SEPTEMBER 2010 (Contd.)

(₹ lakhs)

Sl. No.	Particulars	3 months ended		6 months ended		Year ended
		30 09 2010	30 09 2009	30 09 2010	30 09 2009	31 03 2010
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
20	Promoter and Promoter Group Shareholding :					
	(a) Pledged / Encumbered :					
	- Number of Shares	0	0	0	0	0
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	0	0	0	0	0
	- Percentage of Shares (as a % of the total Share Capital of the Company)	0	0	0	0	0
	(b) Non-encumbered :					
	- Number of Shares	48 10 446	48 10 424	48 10 446	48 10 424	48 10 816
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total Share Capital of the Company)	42.76%	42.76%	42.76%	42.76%	42.76%

DISCLOSURE OF BALANCE SHEET ITEMS, AS PER CLAUSE 41 OF THE LISTING AGREEMENT :

		30 09 2010 (₹ lakhs)		30 09 2009 (₹ lakhs)	
I	**SOURCES OF FUNDS**				
	1 Shareholders' Funds				
	(a) Share Capital	1125		1125	
	(b) Reserves and Surplus	25318	**26443**	20250	**21375**
	2 Loan Funds				
	(a) Secured Loans		17250		31483
	(b) Unsecured Loan - Interest Free Sales Tax Deferral		3657		3345
	3 Deferred Tax		8552		7908
	Total		**55902**		**64111**
II	**APPLICATION OF FUNDS**				
	1 Fixed Assets (Net)		49337		51463
	2 Investments		1073		1019
	3 Current Assets, Loans and Advances				
	(a) Inventories	5907		6967	
	(b) Sundry Debtors	3926		4236	
	(c) Cash and Bank Balances	2081		7624	
	(d) Loans and Advances	4794		2966	
		16708		**21793**	
	Less :				
	Current Liabilities and Provisions				
	(a) Liabilities	11256		10164	
	(b) Provisions	0		0	
		11256		**10164**	
	Net Current Assets		5452		11629
	Total		**55902**		**64111**

Notes :

1 Paper is the only reportable segment of operation of the Company.

2 Investor complaints :

- Pending at the beginning of the Quarter — Nil
- Received and disposed off during the Quarter — Nil
- Un-resolved at the end of the Quarter — Nil

3 Figures have been re-grouped, wherever necessary, to conform to current quarter's classification.

4 The above results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at the respective meetings held on October 26, 2010. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter ended September 30, 2010.

(By Order of the Board)

For SESHASAYEE PAPER AND BOARDS LIMITED

Place : Chennai
Date : October 26, 2010

N GOPALARATNAM
Chairman and Managing Director