



# Seshasayee Paper and Boards Limited

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**N GOPALARATNAM**

**Chairman and Managing Director**

2010 01 23

Dear Shareholders,

**Sub: Un-audited Financial Results (Provisional) for the Quarter October - December 2009.**

Let me wish you all a Happy, Prosperous, Peaceful and Healthy New Year.

At the Board Meeting held on January 23, 2010, the Board of Directors have approved the Un-audited Financial Results (Provisional) of the Company for the Quarter October - December 2009. We enclose the statement for your reference and records.

The said statement has been posted in the Company's website [www.spbltd.com](http://www.spbltd.com) as well as in EDIFAR website maintained by SEBI.

The highlights of operations of the Company during the quarter October - December 2009 are as under :

Sl. No.	Description	Unit	Oct - Dec 2009	Oct - Dec 2008	Apr - Dec 2009	Apr - Dec 2008
1	Production	(t)	29269	30161	90067	89663
2	Sales	(t)	29029	30327	87124	86930
3	Closing Stock	(t)	2960	2483	2960	2483
4	Exports	(t)	2107	1126	3638	5230
5	Turnover	Rs lakhs	13001	14703	38939	41044
6	Profit before Interest, Depreciation and Tax (PBIDT)	Rs lakhs	2738	1648	8930	4634
7	Profit before Tax (PBT)	Rs lakhs	1378	77	4661	1787
8	Profit after Tax (PAT)	Rs lakhs	891	42	3013	1133
9	Cash Profit	Rs lakhs	2228	897	7201	3569



Major factors that contributed to better profitability was the full utilisation of the facilities created under the Mill Development Plan, commissioned during last year and consequent higher production of in-house pulp and reduction in use of imported pulp.

However, the benefits realised on account of the above factors could not be retained fully, mainly due to :

- ◇ Drop in prices of paper, due to depressed paper market conditions.
- ◇ Higher Interest and Financing charges and provision of higher Depreciation, consequent to capitalisation of Mill Development Plan assets during last year whose impact for full year is charged during the current year.

## **MARKET**

During the quarter under review, market witnessed further fall in demand. Consequent to substantial capacity additions in the printing / writing / fine paper segments, the market is facing over-supply position while demand continues to remain depressed. This led to further drop in prices and offering of additional incentives. The outlook for the last quarter of the current financial year does not promise any significant improvement.

As a part of value addition to our products, the Company launched its branded students exercise notebooks with brand name "Success", in December 2009, in the southern domestic markets. Initial feedback has been encouraging.

Thanking you,

Yours Sincerely



**N GOPALARATNAM**

Enc.: a/a