

**RAJAPALAYAM MILLS LTD.,**

Regd. Off : Rajapalayam Mills Premises,  
P.A.C. Ramasamy Raja Salai,  
Post Box No.1, RAJAPALAIYAM - 626 117

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31st DECEMBER,2007**

(Rs. in Lakhs)

| Sl No | Particulars  | 3 Months Ended |              | 9 Months Ended |               | Year Ended    |
|-------|--|----------------|--------------|----------------|---------------|---------------|
|       |  | (UNAUDITED)    |              | (UNAUDITED)    |               | (Audited)     |
|       |  | 31-12-07       | 31-12-06     | 31-12-07       | 31-12-06      | 31-03-2007    |
| 1     | Net Sales  | 4,903          | 4,357        | 14,866         | 13,165        | 18,181        |
| 2     | Other Income   | 914            | 936          | 2,519          | 2,121         | 3,061         |
| 3     | <b>Total Income (1+2)</b>  | <b>5,817</b>   | <b>5,293</b> | <b>17,385</b>  | <b>15,286</b> | <b>21,242</b> |
| 4     | <b>Expenditure</b>   |                |              |                |               |               |
|       | a. (Increase)/Decrease in Stock  | 137            | (521)        | (109)          | (660)         | (751)         |
|       | b. Raw Material Consumption  | 2,308          | 2,227        | 7,323          | 6,133         | 8,418         |
|       | c. Trade Purchase  | 20             | -            | 113            | -             | 64            |
|       | d. Employees Cost  | 455            | 406          | 1,368          | 1,122         | 1,571         |
|       | e. Power & Fuel  | 929            | 768          | 2,608          | 2,257         | 3,057         |
|       | f. Depreciation  | 667            | 659          | 1,970          | 1,922         | 2,324         |
|       | g. Other expenditure   | 774            | 853          | 2,406          | 2,123         | 3,184         |
|       | <b>h. Total Expenditure</b>  | <b>5,290</b>   | <b>4,392</b> | <b>15,679</b>  | <b>12,897</b> | <b>17,867</b> |
| 5     | Interest   | 321            | 281          | 899            | 978           | 1,085         |
| 6     | Exceptional Items - Income   | -              | -            | 359            | -             | 58            |
| 7     | <b>Profit from Ordinary Activities before Tax [(3+6) - (4-5)]</b>                            | <b>206</b>     | <b>620</b>   | <b>1,166</b>   | <b>1,411</b>  | <b>2,348</b>  |
| 8     | <b>Provision for taxation</b>  |                |              |                |               |               |
|       | - Current Tax  | 23             | 70           | 132            | 160           | 220           |
|       | - Deferred Tax   | (75)           | 140          | 142            | 320           | 450           |
|       | - Fringe Benefit Tax   | 3              | 3            | 10             | 8             | 15            |
| 9     | <b>Profit from Ordinary Activities after tax (7-8)</b>                                       | <b>255</b>     | <b>407</b>   | <b>882</b>     | <b>923</b>    | <b>1,663</b>  |
| 10    | Extraordinary items (Net of tax expenses)  | -              | -            | -              | -             | -             |
| 11    | <b>Net Profit (9-10)</b>   | <b>255</b>     | <b>407</b>   | <b>882</b>     | <b>923</b>    | <b>1,663</b>  |
| 12    | <b>Paid-up Equity Share Capital (Face value of shares Rs.10/-)</b>                           | <b>351</b>     | <b>351</b>   | <b>351</b>     | <b>351</b>    | <b>351</b>    |
| 13    | <b>Reserves excluding Revaluation Reserves</b>   |                |              |                |               | <b>10,381</b> |
| 14    | <b>Basic &amp; Diluted earnings per shares (Rs.) -Before &amp; After Extraordinary Items</b> | <b>7</b>       | <b>12</b>    | <b>25</b>      | <b>26</b>     | <b>47</b>     |
| 15    | <b>Aggregate of non-promoter shareholding</b>  |                |              |                |               |               |
|       | - Number of shares   | 17,99,350      | 16,32,470    | 17,99,350      | 16,32,470     | 16,14,319     |
|       | - Percentage of Shareholding   | 51.23%         | 46.47%       | 51.23%         | 46.47%        | 45.96%        |

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (UNAUDITED)  
FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2007**

(Rs. in Lakhs)

| Particulars  | 3 Months Ended |               | 9 Months Ended |               | Year Ended    |
|--|----------------|---------------|----------------|---------------|---------------|
|  | (UNAUDITED)    |               | (UNAUDITED)    |               | AUDITED       |
|  | 31-12-07       | 31-12-06      | 31-12-07       | 31-12-06      | 31-03-2007    |
| <b>1. Segement Revenue<br/>(Net Sales / Income)</b>                  |                |               |                |               |               |
| Tissue Culture Plants  | 65             | 57            | 240            | 174           | 296           |
| Textiles   | 5,752          | 5,236         | 17,145         | 15,112        | 20,946        |
| <b>Net Sales / Income from Operation</b>                             | <b>5,817</b>   | <b>5,293</b>  | <b>17,385</b>  | <b>15,286</b> | <b>21,242</b> |
| <b>2. Segment Results<br/>Profit/(Loss) Before Interest &amp;Tax</b> |                |               |                |               |               |
| Tissue Culture Plants  | -14            | -52           | -12            | -133          | -153          |
| Textiles   | 541            | 953           | 2,077          | 2,522         | 3,586         |
|  | 527            | 901           | 2,065          | 2,389         | 3,433         |
| Less:<br>Interest - Unallocable Expenditure                          | 321            | 281           | 899            | 978           | 1,085         |
| <b>Total Profit Before Tax</b>                                       | <b>206</b>     | <b>620</b>    | <b>1,166</b>   | <b>1,411</b>  | <b>2,348</b>  |
| <b>3. Capital Employed<br/>(Segment Assets-Segment Liabilities)</b>  |                |               |                |               |               |
| Tissue Culture Plants  | 738            | 901           | 738            | 901           | 739           |
| Textiles   | 42,595         | 36,340        | 42,595         | 36,340        | 35,763        |
| <b>Total Capital Employed</b>  | <b>43,333</b>  | <b>37,241</b> | <b>43,333</b>  | <b>37,241</b> | <b>36,502</b> |

**Notes:-**

1) The above unaudited results were reviewed at the Audit Committee and were taken on record at the Meeting of the Board of Directors held on 16-01-2008

2) The Statutory Auditors have carried out a Limited review of the financial results for the Nine months ended 31st December,2007 as per clause 41 of the Listing Agreement.

3) During the quarter, no investor compalint was received. There was no complaint pending both at the beginning and end of the quarter.

4) The Board has approved payment of 2nd Interim Dividend of Rs.3/- per share for the year 2007-08. The record date for the payment is 22-01-2008.

5) Previous year figures have been regrouped / restated wherever necessary.

RAJAPALAYAM  
16-01-2008

FOR RAJAPALAYAM MILLS LTD.,  
P.R.RAMASUBRAHMANEYA RAJHA,  
CHAIRMAN