

## LIMITED REVIEW REPORT

To

The Board of Directors  
Sambandam Spinning Mills Limited

We have reviewed the accompanying statement of unaudited financial results of ('the statement') of **Sambandam Spinning Mills Limited** ('the Company') for the quarter and nine months ended December 31, 2011. This statement (initialed by us for identification), prepared pursuant to Clause 41 of the Listing Agreement with the stock exchanges in India, is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in all material aspects in accordance with the applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with stock exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that the particulars relating to the number of shares as well as the percentage of shareholdings in respect of aggregate amount of Public shareholding, pledged/encumbered shares and non-encumbered share of promoters and promoter groups (in terms of Clause 35 of the Listing Agreement) and the particulars relating to the investors complaints are as per the details furnished by the Company / Registrar.

For M.S.KRISHNASWAMI & RAJAN

Chartered Accountants

Registration No.01554S

  
R. Krishnen - Partner  
Membership No.201133



Salem,  
February 1, 2012

**Saibandam Spinning Mills Limited**

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

Unaudited financial Results for the quarter/nine months ended December 31, 2011

Rs. lakhs

Quarter ended			Particulars	Nine months ended		Year ended
31.12.10 (Unaudited)	31.12.11 (Unaudited)	30.09.11 (Unaudited)		31.12.11 (Unaudited)	31.12.10 (Unaudited)	31.03.11 (Audited)
5018	4077	5394	1. Net sales/Income from operations	14042	14996	20691
1	3	6	2. Other income	11	6	8
5019	4080	5400	3. Total income (1+2)	14053	15002	20699
			4. Expenditure excluding interest			
			(i) (Increase)/Decrease in value of stocks of finished goods and work in progress	1,360	(464)	(1,289)
(560)	529	1,412	(ii) Consumption of raw materials	9605	8385	12340
3162	2508	3448	(iii) Purchase of traded goods	--	--	2
--	--	--	(iv) Employees cost	1090	1168	1603
448	270	406	(v) Power and fuel - net	922	1281	2148
547	338	172	(vi) Depreciation/amortisation	843	835	1114
281	282	280	(vii) Other expenditure	927	976	1373
329	272	339	(viii) Total expenditure	14747	12181	17291
4207	4199	6057	5. Profit/(loss) before interest (3-4)	(694)	2821	3408
812	(119)	(657)	6. Interest - net	1429	1023	1487
323	439	498	7. Profit/(loss) from ordinary activities before tax (5-6)	(2,123)	1,798	1,921
489	(558)	(1,155)	8. Tax expense			
			(i) Current tax	--	--	--
			(ii) Deferred tax - provision/(withdrawal of provision)	(730)	650	665
180	(220)	(330)	9. Net profit/(loss) from ordinary activities after Tax (7-8)	(1,393)	1,148	1,256
309	(338)	(825)	10. Paid-up Equity share capital (Face value of Rs.10 per share)	428	428	428
428	428	428	11. Reserves excluding revaluation reserves			4040
			12. Earnings per share-Basic and diluted (not annualised) in Rs.	(32.68)	26.92	29.45
7.24	(7.93)	(19.36)	13. Public shareholding			
			- Number of shares	1654366	1655366	1655366
1655366	1654366	1654366	- Percentage of shareholding	38.79	38.82	38.82
38.82	38.79	38.79	14. Promoters and Promoter group shareholding			
			(i) Pledged/encumbered			
			- Number of shares	--	--	--
			- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	--	--	--
			- Percentage of shares (as a % of the total sharecapital of the company)	--	--	--
			(ii) Non-encumbered			
			- Number of shares	2610234	2609234	2609234
2609234	2610234	2610234	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00
100	100	100	- Percentage of shares (as a % of the total sharecapital of the company)	61.21	61.18	61.18
61.18	61.21	61.21				

**Notes:**

- The reduction in the loss for the quarter ended December 31, 2011 was mainly due to reduction in cotton price coupled with marginal improvement in yarn sales realisation. Further the proactive decision of the management to cut down production operation to two shifts resulted in savings in cost of operation.
- Since there were no exceptional/exordinary items, the same have not been reflected in the above results.
- The company is principally engaged in a single business segment viz., cotton yarn and operates in a single geographical segment.
- During the quarter ended December 31, 2011, one investor complaint was received and responded to. There was no investor complaint pending for redressal at the beginning and end of the said quarter.
- The above financial results reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on February 1, 2012. Statutory Auditors have carried out a limited review of the above results.

On behalf of the Board of Directors

*S. Devarajan*  
Chairman and Managing Director

Place : Salem

Dated: February 1, 2012

