



# SAMBANDAM SPINNING MILLS LIMITED UNIT-1

Registered Office : P.B. No.1, Kamaraj Nagar Colony, Salem 636 014, Tamil Nadu  
(P) +91 427 2240790 (F) +91 427 2240169 (E) corporate@sambandam.com  
website : www.sambandam.com Corporate Identity No. L17111TZ1973PLC000675

Ref: 224/SSML/CS/2018-19

28th May 2018

The Secretary  
BSE Limited  
Floor No 25., Phiroze Jeejeebhoy Towers.  
Dalal Street  
Fort, Mumbai 400 023

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, schedule III PART B(9.2) as amended as per circular CIR/CFD/CMD/4/2015 ("Listing Regulation") and regulation 30(7) on its developments regarding

Ref : Scrip Code - 521240


In continuation of our earlier intimation to stock exchange ( dt 09.02.2018 vide ref No :264175 on the subject of fraud in compliance with above said regulation , the update on such fraud is being reported hereunder for the intimation of stock exchange .

1. During the current financial year , and as already reported in the earlier quarter , the company's management has identified embezzlement of funds aggregating Rs1344 lakhs by an employee of the company, whose service have since been terminated . The said amount has been subsequently confirmed by an independent investigation agency. The company has initiated criminal proceedings against the employee including filing of FIR. Pending the recovery procedures ,IndAS financial statement have been adjusted to give effect to the above embezzlement . Out of Rs 1344 lakh , Rs 35 lakh has been recovered , a sum of Rs 250 lakhs has been considered recoverable and the balance of Rs 1309.26 lakhs has been accounted in the following manner: Rs 396.25 lakhs has been debited to equity as on the transition date of April 1,2016.Rs 380 lakhs and Rs 283.01 lakhs have been reflected as "Provision for embezzlement of funds under exceptional items in the statement of profit and loss for Financial years ended Mar 31,2017 and March 31,2018 respectively

The above is for your information and record.

Thanking you

Yours faithfully,  
For Sambandam Spinning Mills Limited

  
S.Natarajan  
Company Secretary