

21st May 2018

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Dear Sir / Madam,

Sub: Outcome of Board Meeting held on 21st May 2018

A). This is to inform that the Board of Directors at their meeting held today, i.e Monday, 21st May 2018, have:

1. Approved the Audited Standalone Financial Results for the quarter and financial year ended 31st March 2018.
2. Recommended dividend of 6% (Rs.0.60/ equity share) subject to approval of the members.

B). In this connection, please find enclosed herewith:

1. Audited Standalone Financial Results for the quarter and financial year ended 31st March 2018 along with the Statutory Audit Report.

C). Pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby declare that the Auditors of the Company have issued their reports with unmodified opinion on the Financial Statements (Standalone) for the year ended 31st March, 2018.

D) The Board meeting commenced at 4.00 P.M and concluded at 09.15 P.M

Kindly take the aforesaid information on record in compliance of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.

Thanking You

Yours Sincerely

FOR SALONA COTSPIN LIMITED


SHYAMLAL AGARWALA
MANAGING DIRECTOR

SPINNING YARN TO PERFECTION



Auditor's Report on Financial Results of SALONA COTSPIN LIMITED Pursuant to the Regulation 33 of (lie SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of SALONA COTSPIN LIMITED

We have audited the accompanying Statement of financial results of SALONA COTSPIN LIMITED ('the Company') for the year ended 31 March 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the audited annual financial statements and reviewed quarterly financial results up to the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015, as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with SEBI Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Corresponding figures for the year ended 31 March 2017 included in the financial results were audited by the predecessor auditor who expressed an unmodified opinion vide their audit report dated 15th May 2017 on the annual financial results for the year ended on 31 March 2017.

In our opinion and to the best of our information and according to the explanations given to us and the financial results:

- (i) Are presented in accordance with the requirements of Regulation 33 of SEBI Listing Regulations in this regard; and
- (ii) Give a true and fair view of the net profit and other financial information of the company for the year ended 31 March 2018.

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
(Firm Reg.no:000960S)

CA.R.MAHADEVAN
Partner

(Membership No: 026497)

Place: Coimbatore
Date: 21.05.2018

SALONA COTSPIN LIMITED

CIN L17111TZ1994PLC004797

Regd. Office : S.F.No. 74/12 & 75/3, Sathy Main Road, Pungampalli Village, Valipalayam Post

Sathy Taluk, Erode District. Pin No. 638 402

PART I

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018

(Rs.in Lakh)

| Sl. No. | PARTICULARS | QUARTER ENDED | | | YEAR ENDED | |
|------------|---|-----------------|-----------------|-----------------|------------------|------------------|
| | | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | |
| | Income from Operations : | | | | | |
| I | Revenue from Operations | 3,116.64 | 3,001.16 | 4,078.09 | 10,681.91 | 12,140.88 |
| II | Other Income | 9.67 | - | 9.75 | 9.67 | 12.23 |
| | Total Income | 3,126.31 | 3,001.16 | 4,087.84 | 10,691.58 | 12,153.11 |
| III | Expenditure | | | | | |
| | a) Cost of Materials consumed | 1,447.51 | 1,449.36 | 1,688.84 | 6,341.07 | 6,635.29 |
| | b) Purchases of Stock in trade | 339.68 | 690.87 | 655.29 | 1,387.35 | 2,413.36 |
| | c) Changes in Inventories of Finished goods/WIP/Stock in Trade | 386.22 | 189.27 | 751.67 | (429.62) | (400.28) |
| | d) Employees benefit expenses | 144.55 | 150.97 | 174.77 | 590.70 | 549.70 |
| | e) Finance costs | 102.52 | 89.30 | 64.62 | 346.69 | 230.68 |
| | f) Depreciation and Amortisation expenses | 91.98 | 93.83 | 117.18 | 373.47 | 363.22 |
| | g) Other Expenditure | 590.43 | 313.81 | 724.68 | 1,860.93 | 2,083.85 |
| | g) Total expenditure | 3,102.89 | 2,977.41 | 4,177.05 | 10,470.59 | 11,875.82 |
| IV | Profit/(Loss) before exceptional items and Tax | 23.42 | 23.75 | (89.21) | 220.99 | 277.29 |
| V | Exceptional items | - | - | - | - | - |
| VI | Profit/(Loss) from ordinary activities before Tax (5-6) | 23.42 | 23.75 | (89.21) | 220.99 | 277.29 |
| VII | Tax expense | | | | | |
| | Current Tax | 7.33 | 5.76 | (11.99) | 51.10 | 61.34 |
| | Deferred Tax | (43.15) | - | (118.33) | (43.15) | (118.33) |
| VIII | Net Profit/(Loss) from ordinary activities after Tax(9-10) | 59.24 | 17.99 | 41.11 | 213.04 | 334.28 |
| IX | Other Comprehensive Income | 36.19 | 0.05 | 0.40 | 36.24 | 0.40 |

| | | | | | | |
|-----|---|--------|--------|--------|--------|--------|
| X | Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after Tax) and other Comprehensive Income (after Tax) | 95.43 | 18.04 | 41.51 | 249.28 | 334.68 |
| XI | Paid up Equity Share Capital (Face value Rs 10/- each) | 526.24 | 526.24 | 526.24 | 526.24 | 526.24 |
| XII | Earnings per Share | | | | | |
| | i) Basic | 1.13 | 0.34 | 0.78 | 4.05 | 6.35 |
| | ii) Diluted | 1.13 | 0.34 | 0.78 | 4.05 | 6.35 |

PART II

SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018

| Sl No. | PARTICULARS | QUARTER ENDED | | | YEAR ENDED | |
|----------|---|---------------|-------------|------------|------------|------------|
| | | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | |
| A | PARTICULARS OF SHAREHOLDING | | | | | |
| 1 | Public shareholding | | | | | |
| | - Number of shares | 2030573 | 2191482 | 2235381 | 2030573 | 2235381 |
| | - Percentage of shareholding | 38.59% | 41.64% | 42.48% | 38.59% | 42.48% |
| 2 | Promoters and Promoter Group Shareholding | | | | | |
| | (a) Pledge/Encumbered | | | | | |
| | - Number of Shares | 0 | 0 | 0 | 0 | 0 |
| | - Percentage of shares | 0 | 0 | 0 | 0 | 0 |
| | promoter group) | | | | | |
| | - Percentage of shares | 0 | 0 | 0 | 0 | 0 |
| | (as a % of the total share capital of the Company) | | | | | |
| | (b) Non-encumbered | | | | | |
| | - Number of Shares | 3231827 | 3070918 | 3027019 | 3231827 | 3027019 |
| | - Percentage of shares | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | (as a % of the total shareholding of promoter and promoter group) | | | | | |
| | - Percentage of shares | 61.41% | 58.36% | 57.52% | 61.41% | 57.52% |
| | (as a % of the total share capital of the Company) | | | | | |

| | Particulars | 31.03.2018 |
|----------|--|------------|
| B | INVESTOR COMPLAINTS | |
| | Pending at the beginning of the quarter | - Nil - |
| | Received during the quarter | - Nil - |
| | Disposed of during the quarter | - Nil - |
| | Remaining unresolved at the end of the quarter | - Nil - |

SALONA COTSPIN LIMITED

STATEMENT OF ASSETS AND LIABILITIES

(Rs.in Lakh)

| Particulars | As at 31.03.2018 (Audited) | As at 31.03.2017 (Audited) |
|-----------------------------------|-------------------------------|-------------------------------|
| ASSETS | | |
| (1) Non -Current Assets | | |
| (a) Property, Plant and Equipment | 1484.55 | 1646.45 |
| (b) Capital Work-in-progress | 501.85 | - |
| (c) Investment Property | - | - |
| (d) Intangible assets | 15.30 | 6.08 |
| (e) Financial Assets | | |
| (i) Investments | 29.92 | 30.00 |
| (f) Other Non-Current Assets | 184.38 | 191.54 |
| Total Non-Current Assets | 2216.00 | 1874.07 |
| (2) Current Assets | | |
| (a) Inventories | 3647.20 | 2714.27 |
| (b) Financial Assets | | |
| (i) Trade Receivables | 1913.77 | 2161.27 |
| (ii) Cash & Cash equivalents | 4.80 | 7.30 |
| (iii) Other Bank Balances | 55.58 | 13.39 |
| (iv) Other Financial Assets | 210.44 | 195.23 |
| (c) Other Current Assets | 289.72 | 111.89 |
| Total Current Assets | 6121.51 | 5203.35 |
| | | |
| TOTAL ASSETS | 8337.51 | 7077.42 |

| | | |
|--------------------------------------|----------------|----------------|
| EQUITY AND LIABILITIES | | |
| (1) Equity | | |
| (a) Equity Share Capital | 532.89 | 532.89 |
| (b) Other Equity | 2469.08 | 2257.80 |
| Total Equity | 3001.97 | 2790.69 |
| (2) Non-Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 534.60 | 563.10 |
| (b) Provisions | 56.45 | 82.28 |
| (c) Deferred Tax Liabilities (Net) | 64.37 | 107.52 |
| (d) Other Non Current Liabilities | - | - |
| Total Non-Current Liabilities | 655.42 | 752.90 |
| (3) Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 3438.94 | 2711.12 |
| (ii) Trade Payables | 670.90 | 394.01 |
| (b) Other Current Liabilities | 538.52 | 408.82 |
| (c) Provisions | 31.76 | 19.88 |
| Total Current Liabilities | 4680.12 | 3533.83 |
| | | |
| TOTAL EQUITY AND LIABILITIES | 8337.51 | 7077.42 |
| | 0.00 | |

NOTES :

- 1 The Company has only one business segment in operation. i.e. Textile Business. Hence segment wise reporting is not applicable.
- 2 The figures for the quarters ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial years and the published unaudited year-to-date figures up to the third quarter of the respective financial years, which were subjected to limited review.
- 3 Previous period/Year's figures have been re-grouped/re-casted wherever necessary to make them comparable.
- 4 The Company Adopted Indian Accounting Standards (IND AS) from April 1st, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 "Interim Financial Reporting" prescribed Under Sec. 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- 5 The management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs in accordance with the IND AS
- 6 The Board recommended dividend of 6% (Rs.0.60/equity share), subject to approval of share holders in the Annual General Meeting

7 The above audited financial results were reviewed by the Audit committee and approved by the Board of Directors at their meeting held on 21st May 2018

8 Based on SEBI circular dated 5th June 2016, the Company has presented the results for the previous period under Ind-AS. Consequent to transition to Ind-AS, the reconciliation of Net Profit/(Loss) is given below in accordance with the requirements of paragraph 32 of Ind-AS 101, First Time Adoption of Ind-AS.

(Rs. In Lacs)

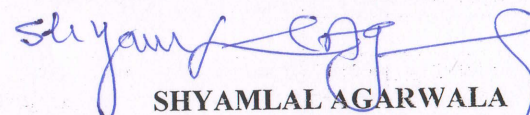
| Particulars | Quarter ended 31st March 2017 |
|--|----------------------------------|
| Net Profit under Indian GAAP | 41.11 |
| Add / Less : Adjustments | 0.40 |
| Net Profit under Ind-AS | 41.51 |
| Less : Gain on Fair Value of Investments | 0.00 |
| Total Comprehensive Income | 41.51 |

9 These financial results have been prepared in accordance with Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules there under and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.

Place : Coimbatore

Date : 21st May 2018

BY ORDER OF THE BOARD
For SALONA COTSPIN LIMITED


SHYAMLAL AGARWALA
MANAGING DIRECTOR
DIN 00003055