



BOARD OF DIRECTORS

Sri S.Gopal Reddy	:	Chairman (DIN : 00051754)
Sri S. Vishnu Vardhan Reddy	:	Managing Director (DIN : 00051641)
Smt S. Rajita Reddy	:	Whole Time Director (DIN : 00051603)
Sri Ravi Rajender Reddy	:	Additional Director (DIN : 02262067)
Smt Uma Reddy Raavi	:	Additional Director (DIN : 02291409)
Sri Draksharam Nagaraj	:	Independent Director (DIN : 02306564)
Smt. Deepthi Tanniru	:	Company Secretary

REGISTERED OFFICE

1-2-288/6/4, Domalguda, Hyderabad - 500 029.
Ph : 040-23544909 Fax : 040-23545939
Website : salguti.com

FACTORY (PLASTICS)

UNIT I Plot No: 154/A2,
Sri Venkateswara Indl. Estate,
BOLLARAM,
Medak District.

UNIT II Survey No. 548/A,
Mudireddypalli Village,
Balanagar Mandal,
Mahaboob Nagar Dist.

FACTORY (TEXTILES) :

Plot No: 310/311,
Gollapally Village,
Jadcherla Mandal,
Mahaboobnagar Dist.

WEBSITE

www.salguti.com

BANKERS

Andhra Bank, Bank of Baroda, Oriental Bank of Commerce

AUDITORS

M/s. P. Murali & Co.,

Chartered Accountants

6-3-655/2/3, Somajiguda, Hyderabad -500 082. Ph : 23326666 Fax : 040-23392474

SHARE TRANSFER AGENTS

Aarthi Consultants Pvt. Ltd. ,

1-2-285, Domalguda, Hyderabad - 500 029.

Ph : 040 - 27642217, 27638111 Fax : 040 - 27632184

E-mail : info@aarthiconsultants.com

LISTED ON :

Bombay Stock Exchange Limited (BSE), Mumbai

Company CIN : L25209TG1984PLC005048



NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of the company will be held on Saturday, the 27th day of September, 2014 at 11.00 A.M. at Sundaraiah Vignana Kendram, (Mini Hall) Bagh Lingampalli, Hyderabad - 500 044 to consider the following Business:

ORDINARY BUSINESS

1. To Receive, Consider and Adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of Smt. S. Rajitha Reddy, who retires by rotation and being eligible offers herself for re-appointment.
3. To re-appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company appoint for a term of three years upto the conclusion of 32nd Annual General Meeting to be held in the year 2017, subject to ratification at every Annual General Meeting and fix their remuneration

SPECIAL BUSINESS

4. **To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution**

Appointment of Sri Ravi Rajender Reddy as Director of the Company

"RESOLVED that Sri Ravi Rajender Reddy (DIN: 02262067), who was appointed an Additional Director of the Company with effect from 19th December 2013 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

5. **To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution**

Appointment of Mrs. Uma Reddy Raavi as Director of the Company

"RESOLVED THAT Mrs. Uma Reddy Raavi, who was appointed by the Board of Directors as an Additional Director with effect from 9th November 2013 and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."



RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

6. To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution

Appointment of Mr. Draksharam Nagaraj as Independent Director of the Company

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Draksharam Nagaraj (DIN - 02306564), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 27.09.2014 up to 26.09.2019.”

7. To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution

Appointment of Mr. Ravi Rajender Reddy as Independent Director of the Company

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Ravi Rajender Reddy (DIN - 02262067), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 27.09.2014 up to 26.09.2019.”

8. To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution

Appointment of Smt. Uma Reddy Raavi as Independent Director of the Company

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Smt. Uma Reddy Raavi (DIN - 02291409), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 27.09.2014 up to 26.09.2019.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Amendment of Articles of Association of the Company

“RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

a) In definition clause of Article 2 the following definition be inserted:

(q) ‘Electronic mode’ means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:



- i. business to business and business-to-consumer transactions, data interchange and other digital supply transactions;
- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial statements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, education and information research; and all related data communication services;
- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
- vii. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
- viii. video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.

b) A new Article 56A is being inserted after Article 56 which is as under:

“56A. Maintenance of registers and records in electronic mode

Notwithstanding anything contained in these Articles, Registers, Index, Agreement, Memorandum, Minutes, Books of Accounts or any other documents required to be kept by the Company under the Companies Act, 2013 may be kept in electronic form in such form and manner as may be prescribed under Section 120 of the Companies Act, 2013 and rules made thereunder.”

c) A new Article 93A is being inserted under Article 93 which is as under:

“93A Voting by members through electronic mode

A member may exercise his vote at a General Meeting or Postal Ballot by electronic mode in accordance with Section 108 of the Companies Act, 2013 and rules made thereunder and shall be eligible to vote only once for a single resolution.”

d) A new article 120A is being inserted after Article 120 which is as under:

120A. Participation in Meeting of the Board by Directors through electronic mode

Notwithstanding anything contained herein, the director(s) may participate in the meeting(s) of the Board or any committee thereof through electronic mode by video conferencing or other audio visual modes as may be prescribed, and the Director(s) so participating shall be deemed to be present at the meeting for the purposes of quorum, voting, recording of minutes and all other relevant provisions in this regard by following procedure specified under applicable laws for the time being in force and rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by competent/statutory authority(ies).”



e) A new Clause 177A is being inserted under Article 177 which is as under:

“177A. Service of documents through electronic mode

Notwithstanding anything contained in these Articles and as per Sections 20 & 134 of the Companies Act, 2013 read with rules made thereunder, a Company may serve copies of the Balance sheet, Statement of Profit and loss, Auditors' Report, Directors' Report, Notice of the General Meeting along with explanatory statements etc. and any other documents to the members through electronic mode, by following conditions laid down under the relevant Rules.”

f) A new Article 192 is being inserted after Article 191 which is as under:

192. “General Clause – Overriding effect of Companies Act, 2013”

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these Articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made thereunder, the provisions of Companies Act, 2013 and rules made thereunder shall override the provisions of these existing Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any.”

BY THE ORDER OF BOARD OF DIRECTORS
for M/s. **SALGUTI INDUSTRIES LIMITED**

Sd/-

S.VISHNU VARDHAN REDDY
MANAGING DIRECTOR

PLACE : HYDERABAD
DATE : 29th August, 2014

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form



is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 25th September, 2014 to Saturday, 27th September, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 6 to 8.
5. The relevant details of Directors seeking appointment / re-appointment under item no. 2, 4 to 8 of this Notice are provided in the Annual Report.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Share Transfer Agent of the Company [www. aarthiconsultants.com](http://www.aarthiconsultants.com), to M/s. Aarthi Consultancy Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 29th August 2014, are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Share Transfer Agent of the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 10.00 a.m. on Monday, 22nd September 2014 and will end at 6.00 p.m. on Tuesday 23rd September 2014. The Company has appointed Ms. Sarada Putcha, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.



PROCEDURE FOR E-VOTING

I. The Company has entered into an arrangement with CDSL for facilitating e-voting for AGM. The instructions for e-voting are as under:

(a) Instructions for e-voting

- a) The shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on “Shareholders” tab.
- c) Now enter your User ID

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For NSDL: 8 Character DP ID followed by 8 Digits Client ID, For CDSL: 16 digits beneficiary ID,	Folio Number registered with the Company

- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA12345678'.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio / client id.



- g) After entering these details appropriately, click on “SUBMIT” tab.
- h) Members holding shares in Physical form will then reach directly to the voting screen.
- i) Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- j) Click on the relevant EVSN for the “Salguti Industries Limited” on which you choose to vote.
- k) On the voting page, you will see Resolution Description and against the same the option ‘YES/NO’ for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- l) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Notice of the Annual General Meeting.
- m) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- n) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- p) Note for Non-Individual Shareholders & Custodians:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- q) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com



- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'evoting user manual' available in the downloads section of CDSL's e-voting website.
 - III. If you are already registered with CDSL for e-voting then you can use your existing User ID and Password for casting vote.
 - IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Friday, 29th August 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.
 - V. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of AGM. Accordingly, the voting period shall commence at 10.00 a.m. on Monday, 22nd September 2014 and will end at 6.00 p.m. on Tuesday 23rd September, 2014. The e-voting module shall be disabled by CDSL at 6.00 p.m. on the same day.
 - VI. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
9. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Aarathi Consultants Private Limited / Investor Service Department of the Company immediately.
 10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Aarathi Consultants Private Limited / Investor Service Department of the Company.
 11. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
 12. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.



ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

Brief Details of Directors seeking re-appointment at this Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement) :

1.	Name	:	Smt. S Rajitha Reddy
	Age	:	50 Years
	Qualifications	:	B. Com, A.C.A.
	Experience	:	27 Years in Company Matters
	Other Directorships (in Public Companies)	:	M/s. SPRING FIELDS AGROTECH LIMITED M/s. SALGUTI TEXTILES LTD
2.	Name	:	Sri Ravi Rajender Reddy
	Age	:	60 Years
	Qualifications	:	B.Sc. Agricultural
	Experience	:	Vast Experience in Business Management
	Other Directorships	:	M/s. SPRING FIELDS AGROTECH LIMITED
3.	Name	:	Smt. Uma Reddy Raavi
	Age	:	54 Years
	Qualifications	:	B.A.
	Experience	:	Experience in Poultry Management
	Other Directorships (in Public Companies)	:	M/s. SPRING FIELDS AGROTECH LIMITED
4.	Name	:	Sri Draksharam Nagaraj
	Age	:	56 Years
	Qualifications	:	He holds Bachelor's Degree in Commerce
	Experience	:	Vast Experience in Business Management
	Other Directorships	:	Nil



EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No. 4&5:

Appointment of Directors

Mr. Ravi Rajender Reddy was appointed as an Additional Director of the Company with effect from 19th December 2013 and Mrs. Uma Reddy Raavi was appointed as an Additional Director of the Company with effect from 9th November 2013 by the Board of Directors. In terms of Section 161(1) of the Act, 2013 they hold office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose their appointment as a Director. Board of Directors recommend the resolution, for your approval. None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Directors for their respective appointment, are concerned or interested in these Resolutions.

Item No. 6-8:

Appointment of Independent Directors

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, Mr. Ravi Rajender Reddy, Mr. Draksharam Nagaraj, and Mrs. Uma Reddy Raavi Independent Directors were appointed / re-appointed on the Board of the Company. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint them, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 27th September 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent



Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no. 6 to 8 for approval of the Members.

Item No. 9:

Amendment of Clauses of Articles of Association of the Company

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company. Some new articles/clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution. Your Directors recommend the above Resolution for your approval.



DIRECTORS' REPORT

To
The Members,
SALGUTI INDUSTRIES LIMITED

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the financial year ended 31st March, 2014.

FINANCIAL RESULTS REVIEW AND PROSPECTS

Your company has recorded a total income of Rs. 12,277.31 lakhs for the year ended 31st March, 2014 against total income of Rs. 11,005.11 Lakhs last year. This figure has grown up by Rs. 1272.20 lakhs in this financial as compared to the same period in the last year. But the company has recorded a net loss of 71.00 lakhs for the current period against net profit of Rs. 94.83 lakhs for the last year. This is due to increase in power tariff & financial costs. Board of Directors assure you better financial position in years to come.

From the financial prospective, the highlights of the financial results for the year under review are as follows:

(Rupees in Lakhs)

Particulars	2013 – 14	2012 – 13
Total Turnover	12,277.31	11,005.11
Expenditure	11,563.93	10343.16
Finance Cost	753.83	715.45
Profit before Tax	(33.36)	(45.92)
Less: Provision for Tax	--	--
Less: Provision for deferred Income Tax	37.64	48.91
Net Profit (after deferred tax)	(71.00)	(94.83)

DIVIDEND

The Directors regret their inability to recommend dividend for the year under review due the losses.

FIXED DEPOSITS

The Company has not invited/accepted any fixed deposits from the public in terms of Section 58A of the Companies Act, 1956.

EMPLOYEE PARTICULARS

The Directors are to report that none of the employee was in receipt of remuneration exceeding the limit prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 2011.

DIRECTORS

Smt. S. Rajitha Reddy, whose period of office is determined by rotation, is due to retire at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.



During the period under review, Mr. Ravi Rajender Reddy and Mrs. Uma Reddy Raavi were appointed as Additional Directors w.e.f. 19th December 2013 and 9th November 2013 respectively. In terms of Section 161(1) of the Act, 2013 they hold office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose their appointment as a Director.

Mr. Ravi Rajender Reddy, Mr. Draksharam Nagaraj, and Mrs. Uma Reddy Raavi Independent Directors were appointed / re-appointed on the Board of the Company. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

RECONSTITUTION OF THE COMMITTEES OF THE BOARD

Due to change in the Board of Directors of the Company and induction of new Directors on the Board, the committees of the Board of the Company were re-constituted. A detailed section on the re-constitution has been mentioned in the Corporate Governance Report attached to and forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed and there are no material departures.
- ii. We have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2014 and of the profit of the company for the financial year ended 31st March 2014.
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. We have prepared the annual accounts for the financial year ended 31st March, 2014 on a going concern basis.

CODE OF CONDUCT

Pursuant to the Listing Agreement entered into by the company with the Bombay Stock Exchange Limited, a declaration declaring that all the members of the Board and the Senior Management Personnel of the company have affirmed compliance with the Code of Conduct of the Company, is forming part of the Corporate Governance Report attached herewith.

CORPORATE GOVERNANCE

Your Directors are happy to report that your Company is compliant with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from the Statutory Auditor's confirming compliance is set out in the Annexure forming part of this report.

**CEO/CFO CERTIFICATION**

The Board has recognized Managing Director of the Company as CEO for the limited purpose of Compliance under the Listing Agreement. The CEO has certified, in terms of revised clause 49 of the listing agreement, to the Board that the financial statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, internal control and disclosures.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed section on 'Management Discussion and Analysis' (MDA), pursuant to Clause 49 of the Listing Agreement forms part of this Annual Report.

STOCK EXCHANGE

The Company's present Equity shares are listed in Bombay Stock Exchange and the Company has paid the Listing Fees to the Stock Exchanges for the Financial Year 2014-15.

LISTING OF SHARES OF THE COMPANY ON STOCK EXCHANGES

We are glad to inform you that the suspension in trading of shares of the Company has been revoked by the Bombay Stock Exchange Limited and the Company has received approval for the same from BSE vide Notice no. 20140801-10 dated 1st August 2014 and started trading from 8th August 2014.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control systems and procedures in all operational areas and at all levels – equipments procurement, finance, and administration, marketing and personnel departments. The internal audit function will be done by a firm of Chartered Accountants. The Audit Committee reviews the internal audit reports and the adequacy of internal controls from time to time.

AUDITORS

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

ADDITIONAL INFORMATION AS REQUIRED U/S 217(1) (E) OF THE COMPANIES ACT, 1956**(a) Conservation of Energy:**

All necessary measures for conservation of energy are taken by the company.

(b) Research and Development and Technology Absorption:

No research and Development has been carried out

(c) Foreign Exchange Earnings & Outgo:

- (i) Foreign exchange earnings : Nil
- (ii) Foreign Exchange out go : Rs. 118.43 lakhs



PERSONNEL

The relationship between the management and the staff was very cordial throughout the year under review. Your Directors take this opportunity to record their appreciation for the cooperation and loyal services rendered by the employees.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continuous assistance and co-operation extended to your Company by the valued customers, bankers, Reserve Bank India, SEBI, Bombay Stock Exchange Limited and all other regulatory Authorities. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

On behalf of the Board
SALGUTI INDUSTRIES LIMITED

Sd/-

S.Vishnu Vardhan Reddy
Managing Director

Sd/-

S.Rajita Reddy
Whole-Time Director

Place: Hyderabad

Date: 29th August, 2014



THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis Report is given below:

I. COMPANY'S PRODUCTS / SERVICES

- * **Plastic Division:** Our Company is Manufacturing HDPE/PP Woven sacks for packing of Fertilizers & Cement.
- * **Textile Division:** Manufacturing Cotton grey fabric for garments, Bed Linen and Furnishings.

II. OPPORTUNITIES AND THREATS

TEXTILE SECTOR

Opportunities:

1. Growth rate of Domestic Textile Industry is 6-8% per annum.
2. Large, Potential Domestic and International Market.
3. Product development and Diversification to cater global needs.
4. Elimination of Quota Restriction leads to greater Market Development.
5. Increased Disposable Income and Purchasing Power of Indian Customer opens New Market Development.
6. Emerging Retail Industry and Malls provide huge opportunities for the Apparel, Handicraft and other segments of the industry.
7. Greater Investment and FDI opportunities are available.

Threats:

1. Competition from other developing countries, from Vietnam and Bangladesh.
2. Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
3. Elimination of Quota system will lead to fluctuations in Export Demand.
4. Threat for Traditional Market for Powerloom and Handloom Products and forcing them for product diversification.
5. Geographical Disadvantages.
6. International labor and Environmental Laws.
7. To balance the demand and supply.
8. To make balance between price and quality.



REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's philosophy on Corporate Governance

SIL has been committed to the highest standard of Corporate Governance practices in the entire gamut of its business philosophy. The guiding forces of Corporate Governance at SIL are its core values – Quality operations, Customer satisfaction, Shareholders' value, Belief in people. The Company believes that a strong Corporate Governance policy is indispensable to healthy growth of business and resilient and vibrant capital markets, besides being an important instrument of investor protection. In this direction, SIL endeavors in true spirit, to adopt the best global practices in Corporate Governance.

2. Board of Directors

A. Composition

- The Company has 6 (six) Directors with Non-Executive Chairman, out of 6 (SIX) Directors, 3 (three) are Non-Executive Independent Directors, 2 (two) are Executive Directors (including Managing Director), and Chairman of the Company is Non-Executive. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on March 31, 2014.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Composition and category of Directors on the Board for the year 2013-14 are given below:

Name of the Director	Category	Number of Directorships in other Companies	Number of Board Committee memberships held in other Public Companies
<i>Sri. S. Gopal Reddy</i>	Promoter & Non-Executive Director	1	Nil
<i>Sri S. Vishnu Vardhan Reddy</i>	Promoter & Executive Director	2	Nil
<i>Smt. S. Rajita Reddy</i>	Promoter & Executive Director	2	Nil
<i>Sri Ravi Rajender Reddy</i>	Non-Executive Independent Director	1	Nil
<i>Smt. Uma Redy Raavi</i>	Non-Executive Independent Director	1	Nil
<i>Sri Draksharam Nagaraj</i>	Non-Executive Independent Director	Nil	Nil



a. Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.

During the Financial Year 2013 - 14 the Board of Directors met Eight times on 30th May 2013, 14th August 2013, 29th August 2013, 26th September 2013, 9th November 2013, 13th November 2013, 19th December 2013 and 10th February 2014.

b. The time gap between any two Board Meetings did not exceed three months.

Attendance of Directors at Board Meetings during the year under review, and at the last Annual General Meeting (AGM) held on 26th September, 2013.

Name of the Director	No. of Board Meetings attended	Whether attended the last AGM
<i>Sri S. Gopal Reddy</i>	8	Yes
Sri S. Vishnu Vardhan Reddy	8	Yes
Smt. S. Rajita Reddy	8	Yes
Sri V. R. Vasudevan	4	No
#Sri. M. Laxmika Reddy	3	Yes
*Sri C. Karunakar	2	No
Sri Draksharam Nagaraj	8	Yes
#Sri S. Prajwal Reddy	3	No
##Sri Ravi Rajender Reddy	2	NA
**Smt. Uma Reddy Raavi	4	NA

*Ceased as Director w.e.f. 19th Dec 2013

##Appointed w.e.f. 19th Dec 2013

Ceased as Director w.e.f. 9th Nov 2013

**Appointed as Directors w.e.f. 9th Nov 2013

Board's Procedure

Agenda papers along with explanatory statements were circulated to the Directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

3. Audit Committee

I). Due to change in the Board members, the Audit Committee of the Company is re-constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

II) The terms of reference of the Audit Committee include a review of;

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.



- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - i Any changes in accounting policies and practices;
 - ii Qualification in draft audit report;
 - iii Significant adjustments arising out of audit;
 - iv The going concern concept;
 - v Compliance with accounting standards;
 - vi Compliance with stock exchange and legal requirements concerning financial statements;
 - vii Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

III) The previous Annual General Meeting of the Company was held on 26th September 2013 and Sri. M. Laxmikar Reddy, Chairman of the Audit Committee, attended previous AGM.

IV) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Composition

During the period under review, the Company has re-constituted the Audit Committee comprising of the following three Non-Executive Independent Directors.

S.No.	Name of the Director	Designation	Nature of Directorship
1	Sri Draksharam Nagaraj	Chairman	Non-Executive & Independent Director
2	Sri Ravi Rajender Reddy	Member	Non-Executive & Independent Director
3	Smt. Uma Reddy Raavi	Member	Non-Executive & Independent Director



V) Five Audit Committee meetings were held during the year on 30th May 2013, 14th August 2013, 29th August 2013, 13th November 2013 and 10th February 2014.

The necessary quorum was present at all the meetings.

Attendance during the year 2013-14 :

Name	Number of meetings held during the year	Number of meetings attended during the year
Sri. Draksharam Nagaraj	5	5
##Sri. Ravi Rajender Reddy	5	1
**Smt. Uma Reddy Raavi	5	2
#Sri. M. Laxmikar Reddy	5	3
*Sri C. Karunakar	5	4

*Ceased as member w.e.f. 19th Dec 2013

##Appointed w.e.f. 19th Dec 2013

Ceased as Director w.e.f. 9th Nov 2013

**Appointed as Directors w.e.f. 9th Nov 2013

4. Remuneration Committee

During the period under review the Board has constituted Remuneration Committee to decide, fix the remuneration payable to the Managing / Whole time Directors of the Company.

However, the remuneration of the Managing / Whole time Director is subject to approval of the Board, and of the Company in the General Meeting and such approvals as may be necessary. The remuneration structure of Managing / Whole time Director comprises of salary only.

A. Composition

The Remuneration Committee consists of the following Directors:

S.No.	Name of the Director	Designation	Nature of Directorship
1	Sri. Draksharam Nagaraj	Chairman	Non-Executive & Independent Director
2	Sri. Ravi Rajender Reddy	Member	Non-Executive & Independent Director
3	Smt. Uma Reddy Raavi	Member	Non-Executive & Independent Director

B. Brief description of terms of reference

The Remuneration Committee shall function in accordance with the terms of reference made by the Board of Directors, which are given as follows:

1. To fix the remuneration packages of Executive Directors i.e., Managing Director, Whole time Directors, etc.,
2. To decide on the elements of remuneration package of all the Directors i.e., salary, benefits, bonuses, stock options, pension etc.”



The details of the salary and commission paid / payable for the Financial Year ended 31st March, 2014 to the Managing / Whole time Director are as under:

Name of the Director	Designation	Relationship with other Directors	Salary per annum (Rs. in Lakhs)	Com-mission
Sri S. Gopal Reddy	Chairman	Related to Smt. Rajitha Reddy & Sri. Vishnu Vardhan Reddy	NIL	NIL
Sri S. Vishnu Vardhan Reddy	Managing Director	Related to Smt.S.Rajitha Reddy & Sri. S.Gopal Reddy	1,23,000/-	NIL
Smt. S. Rajita Reddy	Whole Time Director	Related to Sri. S.Gopal Reddy and Sri.S.Vishnu vardhan Reddy	NIL	NIL

The Company does not have any stock option scheme to the Whole-time Directors. The appointments are made in accordance with the terms and conditions specified in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.

5. Investors' Grievance Committee

A. Composition

During the period under review, the Board has re-constituted the Investors' Grievance Committee consisting of the following Directors:

S.No.	Name of the Director	Designation	Nature of Directorship
1	Sri. Draksharam Nagaraj	Chairman	Non-Executive & Independent Director
2	Sri. Ravi Rajender Reddy	Member	Non-Executive & Independent Director
3	Smt. Uma Reddy Raavi	Member	Non-Executive & Independent Director

B. Powers

The Committee has been delegated with the following powers:

- to redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of balance sheet, non-receipt of declared dividend etc.



- to approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form. During the period under review, no complaints were received from the shareholders, and there are no pending Complaints as on date of this report.

6. General Body Meetings

Financial Year	Date	Time	Venue	Special resolutions passed
28 th AGM 2012-2013	26.09.2013	12.30 PM	Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044	Nil
27 th AGM 2011-2012	27.09.2012	11.00 AM	Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044	Nil
26 th AGM 2010-2011	27.09.2011	11.00 AM	Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044	Increase in Borrowing powers to Rs. 100 Crores

Note: Company had not proposed any resolution during the financial year under review to be passed under Postal Ballot system.

7. Auditors' Certificate on Corporate Governance

Auditors' Certificate on Corporate Governance as required by revised Clause 49 of the Listing Agreement is given as an annexure to the Director's Report.

8. Disclosures

- The Company has not entered into any transaction of material nature with related parties i.e., Directors, Management, their relatives conflicting with the Company's interest.
- **Details of non-compliance**
There has been no non-compliance of any legal requirements nor have been any strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.
- **Whistle Blower policy**
We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the Company. The mechanism provided direct access to the Chairman of the Audit Committee for exceptional cases. All employees



can also directly meet the Audit Committee members of the Company. The Whistle Blower Policy has been posted on the Intranet of the Company.

- **Compliance with non-mandatory requirements of clause 49 of the listing agreement**
The Company has complied with the non –mandatory requirements relating to remuneration committee and Whistle Blower policy to the extent detailed above and has not complied with other non-mandatory requirements.

9. Means of Communication

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website, at www.salguti.com. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

The Management Discussion and Analysis Report forms part of the annual report, which is posted to the shareholders of the Company.

10. General Shareholder Information:

The following information would be useful to the shareholders:

a) Twenty Ninth Annual General Meeting

Date and Time : 27.09.2014, at 11.00 A.M

Venue : Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044.

b) Financial Calendar 2014-15 (Tentative Schedule)

For the Quarter ended 30th June, 2014, the Company has already declared the Unaudited Financial Results on August 11, 2014.

Adoption of Quarterly results for the Quarter ending

- 30th September, 2014 : 1st/2nd Week of November, 2014
- 31st December, 2014 : 1st/2nd Week of February, 2015
- 31st March, 2015 : 1st/2nd Week of May, 2015

Annual General Meeting (Next year) : August / September, 2015

c) Book Closure Date

Thursday 25th September 2014 to Saturday 27th September 2014 (both days inclusive)

d) Listing on Stock Exchanges : Bombay Stock Exchange Ltd

e) Stock Code

- Stock Code / ID : BSE : 526554 / SALGUTI
- Demat ISIN number : INE 159C01012

Electronic Connectivity

National Securities Depository Limited

Trade World, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.



Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers, 28th Floor
Dalal Street, Mumbai – 400 023.

f) Stock Market Data

The monthly high / low prices of shares of the Company from April, 2013 to March, 2014 at Bombay Stock Exchange Limited:

Scrip Code: 526554 Company Name: SALGUTI. For the period: April 2013 to March 2014

During the period under review, the shares of the Company were not traded. Hence, the monthly data could not be provided. The Company has received revocation of suspension from BSE vide Notice no. 20140801-10 dated 1st August 2014 and started trading from 8th August 2014.

g) Share Transfer Agents

Aarathi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad- 500 029.
Tel: (040) 27642217/27638111
Fax: (040) 27632184
Email: info@aarthiconsultants.com

h) Share Transfer System

SEBI has vide its circular dated 27-12-2002, directed that all work relating to share registry, both physical and demat should be maintained at a single point. Accordingly, the Share Transfers, both physical and demat form, are done by the Registrar and Share Transfer Agents i.e., M/s. Aarathi Consultants Private Limited, Domalguda, Hyderabad. The requests received for transfer of shares in physical form are generally completed within the stipulated time.


11. (A) Shareholding pattern as on 31st March 2014 :

Category code	Category of Shareholder	No. of Shareholders	Total Number of shares	Number of shares held in demat form	Total shareholding as a percentage of total number of shares	
					As a Percentage of (A+B) ¹	As a Percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/Hindu Undivided Family	18	2636725	2567350	34.99	34.99
(b)	Central Government/State Government(s)	0	0	0	0	0
(c)	Bodies Corporate	6	2371875	2271875	31.47	31.47
	Sub Total (A)(1)	24	5008600	4839225	66.46	66.46
2	Foreign					
	Sub Total (A)(2)	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	24	5008600	4839225	66.46	66.46
(B)	Public Shareholding					
1	Institutions					
	Central Government/State Government(s)	1	250000	250000	3.32	3.32
	Sub Total (B)(1)	1	250000	250000	3.32	3.32
B2	Non-Institutions					
(a)	Bodies Corporate	24	446300	5100	5.92	5.92
(b)	Individuals					
(I)	Individual shareholders holding nominal share capital upto Rs.1 lakh	3111	1583800	235400	21.01	21.01
(II)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	8	244000	38000	3.24	3.24
	Non Resident Individuals	5	4000	2000	0.05	0.05
	Sub Total (B)(2)	3148	2278100	280500	30.23	30.23
	Total Public Shareholding (B)=(B)(1)+(B)(2)	3149	2528100	530500	33.54	33.54
	Total (A)+(B)	3173	7536700	5369725	100	100
	Grand Total (A)+(B)+(C)	3173	7536700	5369725	100	100

**(B) Distribution of Shareholding as on 31.03.2014**

Range (Rs)	No. of Shareholders	% of Total Shareholders	Shares	% of Total Shares
1 - 5000	2469	77.81	5783000	7.67
5,001 – 10000	311	9.8	2702000	3.59
10,001 – 20000	306	9.64	5469000	7.26
20,001 – 30000	16	0.5	433000	0.57
30,001 – 40000	10	0.32	356000	0.47
40,001 – 50000	16	0.5	800000	1.06
50,001 – 100000	12	0.38	835000	1.11
1,00,001 and above	33	1.04	58989000	78.27
Total	3173	100.00	7536700	100.00

11. Dematerialization of Shares and Liquidity

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE 159C01012. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. The list of depository participants is available with the National Securities Depository Limited (NSDL) at www.nsdl.co.in.

Particulars	No. of Shares	% Share Capital
NSDL	3024781	40.13
CDSL	2344944	31.11
PHYSICAL	2166975	28.76
Total	7536700	100.00

12. Address for Correspondence

Registered office : 1-2-288/6/4,
Domalguda,
Hyderabad –500 029.
Phone:040-27635939, 27630629

13. Share Transfer Agent

: Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad- 500 029.
Tel: (040) 27642217/27638111
Fax: (040) 27632184
Email: info@arthiconsultants.com

On behalf of the Board
SALGUTI INDUSTRIES LIMITED

Place: Hyderabad
Date: 29th August, 2014

Sd/-
S.Vishnu Vardhan Reddy
Managing Director

Sd/-
S.Rajita Reddy
Whole-Time Director



CERTIFICATE FROM MANAGING DIRECTOR FOR COMPLIANCE WITH CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

This is to certify that M/s. Salguti Industries Limited has put in place the Code of Conduct for the Board of Directors and Senior Management. This code is applicable to all the Directors of the Company and the Members of Senior Management, which includes the employees of the Company who are one level below the Whole time Directors and all the functional heads. The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management as on March 31, 2014. The Company has complied with the provisions of the Listing Agreement in this respect.

For SALGUTI INDUSTRIES LIMITED

Sd/-

S. Vishnu Vardhan Reddy
Managing Director

Date: Hyderabad
Place: 29th August, 2014

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

I, S. Vishnu Vardhan Reddy, Managing Director of M/s. Salguti Industries Limited certify :

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March 2014 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, **and**
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

Sd/-

S. Vishnu Vardhan Reddy
Managing Director

Place : Hyderabad
Place: 29th August, 2014



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Salguti Industries Limited
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of Salguti Industries Limited (“the company”) for the year ended 31st March, 2014 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on “Certification of Corporate Governance” issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

Place: Hyderabad
Date: 29th August, 2014

Sd/-
P. Murali Mohana Rao
Partner
Membership No. 23412



INDEPENDENT AUDITORS' REPORT

To,
The Members,
SLAGUTI INDUSTRIES LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of Salguti Industries Limited "the Company", which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books,
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts,
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs.
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P.MURALI & Co.,
CHARTERED ACCOUNTANTS
Firm Registration No: 007257S

PLACE : HYDERABAD
DATE : 30-05-2014

Sd/-
P. MURALI MOHANA RAO
PARTNER
Membership No. 23412



ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
(c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year and in our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
(b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
(d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than rupees one Lac does not arise and the clause is not Applicable.
(e) The Company has obtained unsecured loan from the other parties covered in the register maintained U/s.301 of the Companies Act, 1956. The amount involved during the period and outstanding balance of the said loan aggregating to Rs.96,952,271/-
(f) The terms and conditions of unsecured loans taken by the company are not prima facie prejudicial to the interests of the company.
(g) As there is no repayment schedule, the clause of repayment of interest and principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for



sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.

- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regards to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act, and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. We have broadly verified the books of account and records maintained by the Company relating to the manufactures of Woven Sacks and Cotton Fabric, pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- IX. a) The Company is regular in depositing statutory dues including PF, ESI, Sales Tax, Excise Duty, Income Tax and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Sales Tax, Excise Duty, Income Tax and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and it has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.



- XII. According to the information and explanations, give to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures, and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the Term Loans were applied by the company for the purpose for which the loans were obtained.
- XVII. According to the information and explanations given to us, the funds raised on short term basis has not been used for long term Investments.
- XVIII. According to the information and explanations given to us the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

PLACE : HYDERABAD
DATE : 30-05-2014

For P.MURALI & Co.,
CHARTERED ACCOUNTANTS
F.R.N. 007257S
Sd/-
P. MURALI MOHANA RAO
PARTNER
Membership No. 23412



BALANCE SHEET AS AT 31.03.2014

Particulars	Note No	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	75,367,000	75,367,000
(b) Reserves and Surplus	2	43,878,343	50,978,237
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	345,240,378	326,200,873
(b) Deferred Tax Liabilities (Net)	4	43,942,056	40,178,321
(4) Current Liabilities			
(a) Short-Term Borrowings	5	226,717,845	223,259,537
(b) Trade Payables	6	83,311,208	81,092,224
(c) Other Current Liabilities	7	57,653,203	40,367,108
(d) Short-Term Provisions	8	3,030,267	3,366,355
	Total	879,140,300	840,809,655
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible & Intangible Assets	9	381,3408,599	402,348,369
(b) Non Current Investments	10	1,685,250	1,565,250
(c) Long-Term Loans and Advances	11	16,933,626	14,483,133
(d) Other Non Current Assets	12	5,563,386	4,167,281
(2) Current assets			
(a) Inventories	13	256,654,558	197,128,074
(b) Trade Receivables	14	186,468,738	191,125,449
(c) Cash and Bank Balances	15	552,784	1,546,428
(d) Short Term Loans and Advances	16	28,874,331	27,818,172
(d) Other Current Assets	17	1,067,029	627,499
	Total	879,140,300	840,809,655

Significant Accounting Policies

Notes to Accounts

AS PER OUR REPORT OF EVEN DATE

On behalf of the Board

For P.Murali & Co.,

For SALGUTI INDUSTRIES LIMITED

Chartered Accountants

Sd/-

Sd/-

Firm Registration No: 007257S

S.VISHNUVARDHAN REDDY

S. RAJITA REDDY

Sd/-

Managing Director

Whole Time Director

P.Murali Mohana Rao

Partner

Membership No. 023412

Place : Hyderabad

Date : 30-05-2014



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Note No	Year Ending 31-03-2014 ₹	Year Ending 31-03-2013 ₹
Revenue from Operations	18	1,227,731,434	1,100,511,155
Other Income	19	707,948	758,481
Total Revenue		<u>1,228,439,382</u>	<u>1,101,269,636</u>
Expenses:			
Cost of materials consumed	20	1,022,505,530	888,812,484
Increase in Inventory (Finished goods & WIP)	21	(41,129,524)	(9,541,223)
Employee Benefit Expenses	22	47,993,698	47,463,247
Other Operating Expenses	23	90,846,224	71,930,166
Administrative Expenses	24	9,092,031	10,280,264
Financial Costs	25	75,381,834	71,545,201
Depreciation and Amortization Expense	9	27,085,748	25,372,442
Total Expenses		<u>1,231,775,541</u>	<u>1,105,862,581</u>
Profit / (Loss) Before Tax		(3,336,159)	(4,592,945)
Tax Expense:			
(1) Current tax		--	--
(2) Deferred tax		3,763,735	4,890,655
Profit / (Loss) After Tax		<u>(7,099,894)</u>	<u>(9,483,600)</u>
Earning per equity share:			
(1) Basic EPS		(0.94)	(1.26)
(2) Diluted EPS		(0.94)	(1.26)

Summary of Significant Accounting Policies

Note to Financial Statements

AS PER OUR REPORT OF EVEN DATE

On behalf of the Board

For P.Murali & Co.,

For SALGUTI INDUSTRIES LIMITED

Chartered Accountants

Sd/-

Sd/-

Firm Registration No: 007257S

S.VISHNUVARDHAN REDDY

S. RAJITA REDDY

Managing Director

Whole Time Director

Sd/-

P.Murali Mohana Rao

Partner

Membership No. 023412

Place : Hyderabad

Date : 30-05-2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014

Particulars	Year Ended 31st March, 2014 ₹	Year Ended 31st March, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary items	(3,336,159)	(4,592,945)
Add : Adjustment for		
-- Depreciation and Amortization Expenses	27,085,748	25,372,442
-- Financing Charges	75,381,834	71,545,201
Operating Profit Before Working Capital Changes	99,131,423	92,324,698
Working Capital changes		
Add / (Less) : (Increase) / Decrease in		
-- Trade Receivables	4,656,711	(47,955,504)
-- Inventories	(59,526,484)	(24,933,902)
-- Short Term Loans and Advances	(1,056,158)	34,617,850
-- Other current assets	(439,530)	141,261
-- Trade Payables	2,218,983	2,340,712
-- Other current liabilities	17,286,095	2,897,139
--Short term borrowings	3,458,309	27,940,798
--Short term provisions	(336,088)	1,048,422
Cash Generated from Operations	65,393,261	88,421,474
Less : Income tax Paid	--	1,646,761
NET CASH FLOWS FROM OPERATING ACTIVITIES	65,393,261	86,774,713
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,244,852)	(80,215,959)
(Increase) / Decrease in Capital Work in Progress	--	21,742,424
(Increase) / Decrease in Miscellaneous Expenditure	(2,229,230)	--
(Increase) / Decrease in Investments	(120,000)	(420,000)
-- Repayment of Loans and advances	(2,450,493)	(7,040,926)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(10,044,575)	(65,934,461)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
-- Increase in Share Capital	--	--
-- Increase in Capital Subsidy	--	5,125,000
-- Secured Loans taken	19,039,504	45,604,316
-- Fianacing Charges	(75,381,834)	(71,545,201)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(56,342,330)	(20,815,885)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(993,644)	24,369
Opening Cash and Equivalents	1,546,428	1,522,059
Closing Cash and Equivalents	552,784	1,546,428

PLACE : HYDERABAD
DATE : 30-05-2014

BY ORDER OF THE BOARD OF DIRECTORS
S.VISHNUVARDHAN REDDY S. RAJITA REDDY
Managing Director Whole Time Director

To,
The Board of Directors
Salguti Industries Limited
Hyderabad

We have examined the attached Cash Flow Statement of M/s. Salguti Industries Limited for the year ended 31st March, 2014. The Statement has been prepared by the company in accordance with the requirements of Clause 32 of Listing Agreement with Stock Exchanges and is based on and in Agreement with the Corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of to the members of the Company.

Yours faithfully,
for P.MURALI & CO.,
CHARTERED ACCOUNTANTS
P. MURALI MOHANA RAO
PARTNER

PLACE : HYDERAAD
DATE : 30-05-2014



SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION:

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year

USE OF ESTIMATES:

The preparation of financial statements is in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of fixed assets and provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

(a) Accounting Convention and Revenue Recognition:

The Financial Statements have been prepared on a going concern basis. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

Sales are accounted inclusive of Excise duty and Sales tax and net of sales returns.

(b) Cash Flow Statement : AS-3

The Company has prepared Cash Flow Statement as per the AS-3.

(c) Retirements Benefits:

The Company has not made any provision for Gratuity to its employees. It is recognizing the gratuity expenditure on payment basis which is not in accordance with AS-15.

(d) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes and incidental expenses there to. Capital Work-in-Progress includes cost of Fixed Assets under installation /construction on the date of Balance sheet, any unallocated expenditure and Interest during construction period on loans taken to finance the Fixed Assets. Advances paid towards acquisition of assets are also included under capital work in progress.

(e) Depreciation and amortization:

Depreciation on Fixed Assets is provided on straight-line method as per the rates specified in Schedule XIV of the Companies Act, 1956. This is in accordance with the AS-6 and there is no change in the method of Depreciation during the year

Preliminary expenses are amortized over a period of 10 years.

**(f) Investments:**

Long term investments are stated at cost. However, provision for diminution is made to recognise any decline, other than temporary, in the value of long term investments. Current Investments are stated at the lower of cost and fair value.

(g) Borrowing Cost :

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. Borrowing cost that are attributable to the projects are charged to the respective projects. All other borrowing costs, not eligible for inventorisation/ capitalisation, are charged to revenue.

(h) Inventories:

Inventories are valued as under.

- i) Raw materials, stores and spares - at cost.
- ii) Finished Goods and work-in-progress - at cost or net realizable value whichever is lower. Cost includes cost of direct material, labor, Factory overhead.
- iii) Scrap - at net realizable value.

(i) Taxes on Income :

a) Provision for tax for the year comprises current Income Tax and Deferred Tax and is provided as per the Income Tax Act, 1961.

b) Provision for current income tax is made on the tax liability calculated on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing Tax Laws

c) Deferred tax resulting from timing differences between the book and the tax profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date.

(j) Provisions, Contingent liabilities and contingent Assets:

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. (In line with AS-29)

(k) Earnings per Share:

The earnings considered in ascertaining the Earning Per Share comprise of Net Profit after Tax. The number of shares used in computing Basic Earnings Per Share is the Weighted Average number of shares outstanding during the year, as per **AS-20**.

(m) Related Party Disclosures:

The Company as required by **AS-18** furnishes the details of Related Party.



Notes to Financial Statements for the year ended March 31, 2014

NOTE NO. 1 : SHARE CAPITAL

Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I. Equity Share Capital		
(a) Authorised (No. of Shares 12000000 - Current Year) (No. of Shares 12000000 - Previous Year)	120,000,000 -	- 120,000,000
(b) Issued (No. of Shares 7536700 - Current Year) (No. of Shares 7536700 - Previous Year)	75,367,000 -	- 75,367,000
(c) Subscribed & Paid Up (No. of Shares 7536700 - Current Year) (No. of Shares 7536700 - Previous Year)	75,367,000 -	- 75,367,000
(d) Subscribed & not fully paid up (e) Par Value per share Rs. 10/-	-	-
Total Equity Share capital	75,367,000	75,367,000
II. A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	No. of Shares	
Equity Shares of Rs.10Each, Fully paid up		
At the Beginning	7,536,700	7,536,700
Issued during the year - Cash Issue	-	-
At the end	7,536,700	7,536,700
III. Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	
Equity Shares of Rs. 10 each Held By		
S. Rajitha Reddy -No. Of Shares (C.Y) 492700, (P.Y) 492700	6.53%	6.53%
Salguti Finance & Investments -No. Of Shares (C.Y) 1454375, (P.Y) 1454375	19.30%	19.30%
S. Vishnuvardhan Reddy -No. Of Shares (C.Y) 660000, (P.Y) 660000	8.76%	8.76%
Salguti Textiles Limited -No. Of Shares (C.Y) 472500, (P.Y) 472500	6.27%	6.27%
NOTE NO. 2 : RESERVES AND SURPLUS		
Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
RESERVES AND SURPLUS		
a) Securities Premium	15,000,000	15,000,000
b) Investment Allowance Reserve	602,497	602,497
c) Subsidy	24,374,798	24,374,798
b) Surplus :		
Opening Balance - Profit and Loss Account	11,000,942	20,484,542
Add: Transfer from Profit & Loss Account	(7,099,894)	(9,483,600)
	3,901,048	11,000,942
Total Reserves and Surplus	43,878,343	50,978,237



NOTE NO. 3 : LONG TERM BORROWINGS		
Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
Long Term Borrowings		
i) Secured Loans		
From Banks	152,613,725	205,260,376
From Institutions	57,293,000	28,510,113
	209,906,725	233,770,489
ii) Un Secured Loans		
From Directors and their relatives	96,952,271	53,611,191
From Others	38,381,382	38,819,193
	135,333,653	92,430,384
Total	345,240,378	326,200,873
Notes: Loans from Banks & Financial Institutions		
<p>1. Term Loans taken by company from Andhra Bank, Bank of Baroda , Oriental Bank of Commerce are secured by way of hypothecation of plant and machinery, and buildings, and mortgage of Directors Agricultural land of S. Vishnu Vardhan Reddy and S.Rajitha Reddy & personal Guarantee of Directors of the company.</p> <p>2. Corporate Loan Sanction by APSFC on 16th November, 2013 of Rs. 250 Lakhs repayable in 55 monthly installments of Rs.4.54 lakhs each with 14.0% interest. Period of loan 5 Years including moratorium of 6 months.</p> <p>3. Interest Free Unsecured loan taken from Directors and their relatives.</p> <p>4. The Rajapur Unit has sanctioned Sales Tax Deferment issued by the Commissioner of Industries, Hyderabad in the year 1997-98. Hence the Sales Tax collected during the previous years is charged to Profit and Loss account and the same was treated as unsecured loan. Unsecured Loans includes Rs. 328.90 Lakhs (Previous year Rs. 366.70 Lakhs) towards Sales Tax Deferment. And Out of which Rs.37.80 Lakhs has been repaid during the Year towards third instalment.</p>		
NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)		
Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
Opening Deferred tax Liability	40,178,321	35,287,666
Add: Deferred Tax Liability for the year		
(Due to SLM and WDV Difference)	3,763,735	4,890,655
Deferred Tax Liability/ (Asset) - Net	43,942,056	40,178,321
NOTE NO. 5 : SHORT TERM BORROWINGS		
Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
Short term Borrowings		
a) Cash Credits and Working Capital Demand Loan from Banks		
- Secured From Banks	226,717,845	223,259,537
Notes:		
1. Cash Credit / Working capital loan from Andhra Bank, Bank of Baroda, Oriental Bank of Commerce is secured by way of hypothecation of second charge basis of all current assets of the company.		
Total Short Term Borrowings	226,717,845	223,259,537



NOTE NO. 6 : TRADE PAYABLES		
Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
a) Trade Payables	83,311,208	81,092,224
Total Trade Payables	83,311,208	81,092,224
NOTE NO. 7 : OTHER CURRENT LIABILITES		
Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
a) Current maturities of long term debt - Term Loan	52,116,000	36,226,000
b) Interest Payable	756,028	398,527
c) Outstanding Expenses Payable	4,686,905	3,670,783
d) Audit Fee Payable	84,270	61,798
e) Directors Remuneration Payable	10,000	10,000
Total Other Current Liabilities	57,653,203	40,367,108
NOTE NO. 8 : SHORT TERM PROVISIONS		
Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
a) Provisions for employee benefits		
PF Payable	75,013	84,636
ESI Payable	21,239	13,154
Salaries Payable	2,775,505	3,092,489
b) Others		
Statutory Liabilities	158,510	176,076
Provision for Income Tax	--	--
Total Short Term Provisions	3,030,267	3,366,355



NOTE NO 9 : TANGIBLE ASSETS AS AT 31-03-2014										
Sl. No.	Particulars	Gross Block				Depreciation / Amortization			Net Block as on 31-03-2014	Net Block as on 31-03-2013
		As on 01-04-2013	Additions during the year	Deletions during the year	As on 31-03-2014	Dep. As on 01-04-2013	Dep. For the year 2013-2014	Total Depreciation		
	Tangible Fixed Assets:									
1	Land	1,296,186	-		1,296,186	-				1,296,186
2	Factory Building	94,755,893	697,027		95,452,920	16206961	3,164,847	19,371,808	76,081,112	78,548,931
3	Plant & Machinery	440,857,395	3,980,663		444,838,058	136922494	21,041,677	157,964,171	286,873,887	303,934,901
4	Electrical Equipments	21,824,010	332,135		22,156,145	5455459	1,040,079	6,495,538	15,660,607	16,368,551
5	Furniture & Fittings	1,360,406	8,400		1,368,806	765550	86,303	851,853	516,953	594,856
6	Computers	3,164,681	226627		3,391,308	2564634	537,142	3,101,776	289,532	600,047
7	Vehicles	4,027,101	-		4,027,101	3022204	382,575	3,404,778	622,323	1,004,897
1	Unamortised Expenses	5,833,531	2,229,230	-	8,062,761	1,666,250	833,125	2,499,375	5,563,386	4,167,281
	TOTAL	567,285,672	5,244,852	-	572,530,524	164,937,302	26,252,623	191,189,925	381,340,599	402,348,369
	Previous Year	487,069,713	80,215,959	-	567,285,672	140,397,986	24,539,317	164,937,302	402,348,369	346,671,727



Notes to Financial Statements for the year ended March 31, 2014

NOTE NO. 10 : NON CURRENT INVESTMENTS

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	a) Investment in Equity Instrument		
	a) Jurala Gadwala Power Projects Pvt Ltd - No. of Shares (C.Y) 107325, (P.Y) 107325	1,073,250	1,073,250
	b) Other Investments		
	a) Investment in - Baroda Pioneer Fund	312,000	192,000
	b) Investment in - India First Life Insurance	300,000	300,000
	TOTAL NON CURRENT INVESTMENTS	1,685,250	1,565,250

NOTE NO. 11 : LONG TERM LOANS AND ADVANCES

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	a) Security Deposit	14,980,051	12,724,359
	b) Gratuity fund	1,953,575	1,758,774
	Total Long Term Loans and Advances	16,933,626	14,483,133

NOTE NO. 12 : OTHER NON CURRENT ASSETS

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	a) Unamortised Expenses	5,563,386	4,167,281
	Total Other Non-Current Assets	5,563,386	4,167,281

NOTE NO. 13 : INVENTORIES

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	a) Raw materials	69,971,928	51,574,968
	b) Work - in - progress	139,200,778	121,010,647
	c) Finished goods	47,481,852	24,542,459
	Total Inventories	256,654,558	197,128,074

NOTE NO. 14 : TRADE RECEIVABLES

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	10,696,121	7,878,200
	Other Receivables		
	Unsecured, Considered Good	175,772,618	183,247,249
	Total Trade Receivables	186,468,738	191,125,449



Notes to Financial Statements for the year ended March 31, 2014

NOTE NO. 15 : SHORT TERM LOANS AND ADVANCES

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	a) Security Deposit	10,445,728	9,772,065
	b) Advances to Employees	1,183,996	1,310,702
	c) Advances to Suppliers	7,621,440	4,579,396
	d) Other Advances	9,623,167	12,156,010
	Total Short Term Loans and Advances	28,874,331	27,818,172

NOTE NO. 16 : CASH AND BANK BALANCES

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	Cash and Cash Equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	116,059	45,228
	b) Cash on Hand	436,724	1,501,200
	Total Cash and Cash Equivalents	552,784	1,546,428

NOTE NO. 17 : OTHER CURRENT ASSETS

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	A) Interest Accrued On Deposits	692,994	564,749
	b) Advance Income tax	200,000	-
	c) TDS Receivable	174,035	62,750
	Total Other Current Assets	1,067,029	627,499

NOTE NO. 18 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ended 31-03-2014 ₹	Year Ended 31-03-2013 ₹
I	Revenue from operations		
	(a) Sale of Products		
	(i) HDPE/PP WOVEN SACKS/HDPE FABRIC/COTTON AND BLEND FABRIC	1,226,236,803	1,100,186,651
	(b) Other Operating Income	1,494,631	324,504
	Total Revenue from Operations	1,227,731,434	1,100,511,155



Notes to Financial Statements for the year ended March 31, 2014

NOTE NO. 19 : OTHER INCOME

S.No.	Particulars	Year Ended 31-03-2014 ₹	Year Ended 31-03-2013 ₹
I	(a) Interest Income	707,948	758,481
	Total Other Income	707,948	758,481

NOTE NO. 20 : COST OF MATERIALS CONSUMED

S.No.	Particulars	As on 31-03-2014 ₹	As on 31-03-2013 ₹
I	Opening Stock of Raw Materials	51,574,968	36,182,307
	Add : Purchases During the year	1,040,902,490	904,205,145
	Less: Closing Stock of Raw material	69,971,928	51,574,968
	Total Cost Of Material Consumed	1,022,505,530	888,812,484

NOTE NO. 21 : CHANGE IN INVENTORIES & WIP.

S.No.	Particulars	Year Ended 31-03-2014 ₹	Year Ended 31-03-2013 ₹
I	Finished Goods		
	Finished goods at the beginning of the year	24,542,459	27,972,857
	Less : Finished goods at the end of the year	47,481,852	24,542,459
	Sub Total (A)	(22,939,393)	3,430,398
	Work in Progress		
	Work in progress at the beginning of the year	121,010,647	108,039,026
	Less : work in progress at the end of the year	139,200,778	121,010,647
	Sub Total (B)	(18,190,131)	(12,971,621)
	(Increase) / Decrease in Inventories (A+B)	(41,129,524)	(9,541,223)

NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ended 31-03-2014 ₹	Year Ended 31-03-2013 ₹
I	(a) Salaries & Wages	45,577,874	44,885,238
	(b) Contribution to Provident & Other Funds	989,077	1,103,821
	(c) Staff Welfare Expenses	1,426,747	1,474,188
	Total Employee Benefit Expenses	47,993,698	47,463,247



NOTE NO. 23 : OTHER OPERATING EXPENSES			
S.No.	Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
		₹	₹
I	(a) Consumption of Stores & Spares	221,561	476,269
	(b) Power & Fuel	65,148,714	42,728,314
	(c) Rent	60,500	49,0000
	(d) Repairs & Maintenance	868,185	951,098
	(e) Repairs to Machinery	481,528	549,935
	(f) Insurance	2,056,608	2,100,782
	(g) Rates & Taxes (excluding Income Tax)	2,903,153	1,659,103
	(h) Transportation	7,006,689	7,706,698
	(i) Job Work Charges	-	1,225,073
	(j) Other Manufacturing Expenditure	12,099,286	14,483,894
	Total Other Operating Expenses	90,846,224	71,930,166
NOTE NO. 24 : ADMINSTRATIVE EXPENSES			
S.No.	Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
		₹	₹
I	(a) Telephone, Postage and Others	353,237	645,852
	(b) Business Promotion Expenses	1,633,752	1,146,984
	(c) Conveyance	1,097,175	1,322,714
	(d) Office Maintenance	27,477	26,331
	(e) Printing & Stationery Expenses	282,421	160,274
	(f) Security Charges	1,911,111	1,645,319
	(g) Managerial Remuneration	120,000	230,063
	(h) Consultancy Charges	218,050	172,472
	(i) AGM Fees	139,197	110,973
	(j) General Expenses	3,225,341	4,752,484
	(k) Payment to Auditors		
	(l) As Auditor	84,270	66,798
		9,092,031	10,280,264
NOTE NO. 25 : FINANCE COST			
S.No.	Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
		₹	₹
I	(a) Interest Expenses		
	- Interest on Term Loan	20,460,082	24,792,896
	- Interest on CC Loan	44,041,254	38,385,399
	- Loan processing Charges & Bank Charges	2,204,561	1,642,664
	(b) Other Borrowing costs	8,675,938	6,724,241
	Total Finance Cost	75,381,834	71,545,201



NOTES ON ACCOUNTS

26. Detailed information regarding quantitative particulars under part II of schedule VI to the Companies Act, 1956:

- i) Quantitative information with regard to
a) Installed Capacity per annum

Particulars	Year ended 31-03-2014		Year ended 31-03-2013	
	Quantity (MT)	Amount (Rs.)	Quantity (MT)	Amount (Rs.)
a) Turnover				
a. Plastics	8756.00	9280.58	8398	8444.16
b. Textiles	1409.33	2996.73	1473.86	2560.95
b) Details of Raw Material consumed				
a. Plastics Granules	8768	8067.15	8685	7260.49
b. Cotton	1458	2157.91	1424.49	1627.63
c) Capacity & Production				
i) Installed Capacity				
a. Plastics	10400	Nil	10400	Nil
b. Textiles	2600	Nil	2600	Nil
ii) Actual Production				
a. Plastics	8680	Nil	8603	Nil
b. Textiles	1503	Nil	1396	Nil

27. Details of Deferred Tax Liability as on 31-03-2014 on account of timing difference is as under:

Deferred Tax Liabilities	As on 31-03-2014 (Rs. in lakhs)	As on 31-03-2013 (Rs. in lakhs)
Opening Balance	401.78	352.88
Add: Adjustment for timing difference of Depreciation as per Companies Act, 1956 and Income Tax Act, 1961.	37.63	48.90
Closing Balance	439.42	401.78

**28. Related Party Disclosures:****(a) Related Parties**

Name of the Related Party	Nature of Relationship
S. Gopal Reddy	Chairman
S. Vishnu Vardhan Reddy	Managing Director
S. Rajitha Reddy	Whole Time Director
Salguti Builders Private Limited	Common Directors
Salguti Textiles Limited	Common Directors

(b) Transactions during the year with related Parties :

Name of the Party	Nature of Relationship	Nature of Transaction	2013-14 (Rs. In Lakhs)	2012-13 (Rs. In Lakhs)
S. Vishnu Vardhan Reddy	Managing Director	Remuneration	1.20	1.23
S. Rajitha Reddy	Whole Time Director	Remuneration	Nil	Nil

29. Details of Directors Remuneration :

Sl. No.	Name of the Director	Nature of Relationship	Amount of Remuneration 2013 - 14 (Rs. in Lakhs)	Amount of Remuneration 2012 - 13 (Rs. in Lakhs)
1	S. Gopal Reddy	Chairman	Nil	Nil
2.	S. Vishnu Vardhan Reddy	Managing Director	1.20	1.23
3.	S. Rajitha Reddy	Whole Time Director	Nil	Nil

30. Details of Auditors Remuneration :

Sl. No.	Nature of Fees	Amount of Remuneration 2013 - 14 (Rs. in Lakhs)	Amount of Remuneration 2012-13 (Rs. in Lakhs)
1	Statutory Audit Fee	0.84	0.67
	TOTAL	0.84	0.67

**31. FOREIGN EXCHANGE INFLOW AND OUTFLOW:**

Particulars	Year 2013 - 14	Year 2012 - 13
	Rs. in Lakhs	Rs. in Lakhs
OUTFLOW		
On Account of Advance for Raw Material & Machinery	118.43	166.30
INFLOW		
On Export of Goods	NIL	6.76

32. Contingent Liabilities:

(Rs. in Lakhs)

		As at 31-03-2014	As at 31-03-2013
Letter of Credit	Inland LC	332.00	376.00

33. Earnings Per Share :

Particulars	2013 - 14	2012 - 13
Net profit after tax (Rs.)	(70,99,894)	(9,483,600)
Weighted Average Numbers of shares	7536700	7536700
Basic EPS (Rs.)	(0.94)	(1.26)
Diluted EPS (Rs.)	(0.94)	(1.26)

34. Segment Reporting:

As per AS – 17, it is not practicable for the company to identify the Expenditure and Capital employed between the segments.

35. No Confirmations were obtained from Debtors/Creditors as to the balances receivable from/ payable them as at the date of Balance sheet.

36. Amount of delayed outstanding dues to Micro and Small Enterprise as per MSME Development Act, 2006, could not be ascertained at the end of the financial year.

37. Previous year's numbers have been regrouped, rearranged, recasted, wherever necessary to conform to Current Year Classification.

38. The numbers have been rounded off to the nearest rupee.

Signatures to Note No. 1 to 38



AS PER OUR REPORT OF EVEN DATE
For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No: 007257S

FOR AND ON BEHALF OF THE BOARD
M/s.SALGUTI INDUSTRIES LIMITED

Sd/-
P. MURALI MOHANA RAO
PARTNER
Membership No. 23412

Sd/-
S.VISHNUVARDHAN REDDY
MANAGING DIRECTOR

PLACE : HYDERABAD
DATE : 30-05-2014

Sd/-
S. RAJITA REDDY
WHOLE TIME DIRECTOR



SALGUTI INDUSTRIES LIMITED

Regd. Office: 1-2-288/6/4, Domalguda, Hyderabad -500 029.

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L25209TG1984PLC005048

Name of the company : **SALGUTI INDUSTRIES LIMITED**

Regd.Office: 1-2-288/6/4, Domalguda, Hyderabad - 500 029

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being Member /Members of Salguti Industries Limited hereby appoint

1. Name :

Address :

E-mail Id :

Signature :, or failing him

2. Name :

Address :

E-mail Id :

Signature :, or failing him

3. Name :

Address :

E-mail Id :

Signature :



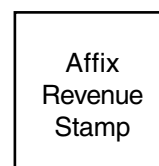
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on the Saturday, 27th Day of September 2014, at 11.00 a.m. at Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution
Ordinary Business	
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon
2	To appoint a Director in place of Smt. S Rajitha Reddy who retires by rotation and being eligible offers herself for reappointment
3.	To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company for a term of three years upto the conclusion of 38th Annual General Meeting to be held in the year 2017 subject to ratification at every Annual General Meeting and fix their remuneration
Special Business	
4.	To appoint Sri. Ravi Rajender Reddy as Independent Director
5.	To appoint Mrs. Uma Reddy Raavi as Independent Director
6	To appoint Mr. Draksharam Nagaraj as Independent Director
7.	To appoint Sri. Ravi Rajender Reddy as Independent Director
8.	To appoint Mrs. Uma Reddy Raavi as Independent Director
9.	To amend the Articles of Association of the Company

Signed this day of 2014.

Signature of Shareholder

Signature of Proxy holder (s)



Note:

- Proxy need not be a member of the Company.
- The Proxy Form duly filled in and signed by the Member(s) across the revenue stamp should reach the Company's Registered Office at least 48 hours before the commencement of the meeting.
- Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.



SALGUTI INDUSTRIES LIMITED

Regd. Office: 1-2-288/6/4, Domalguda, Hyderabad -500 029.

29th Annual General Meeting – Saturday – 27th September 2014

Attendance Slip

Folio no. / DPID and Client ID No :

No. of shares

Name and address of First/sole shareholder :

I, hereby record my presence at the 29th Annual General Meeting of the Company to be held on Saturday, September 27, 2014 at 11.00 a.m. at Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044.

Name of the Member/Proxy
(Block Letters)

Signature of the Member/Proxy

Notes :

- a. Only Member/Proxy can attend the Meeting. No minors would be allowed at the Meeting.
- b. Member/Proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and hand over at the entrance duly filled in and signed.
- c. Member/Proxy should bring his/her copy of the Annual Report for reference at the Meeting.

