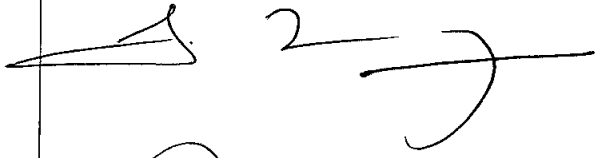
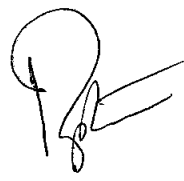

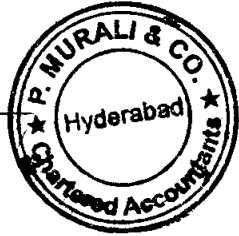



FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	SALGUTI INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NOT APPLICABLE
5.	To be signed by	
	Managing Director	
	CFO	
	Auditor of the company	 
	Audit Committee Chairman	



BOARD OF DIRECTORS

Sri S. Vishnu Vardhan Reddy	:	Managing Director (DIN : 00051641)
Smt S. Rajita Reddy	:	CFO & Whole Time Director (DIN : 00051603)
Sri Ravi Rajender Reddy	:	Independent Director (DIN : 02262067)
Smt Uma Reddy Raavi	:	Independent Director (DIN : 02291409)
Sri Draksharam Nagaraj	:	Independent Director (DIN : 02306564)

REGISTERED OFFICE

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

Ph : 040-23545939 Fax : 040-23544909

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 and 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

Aarathi Consultants Pvt. Ltd. ,

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

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

E-mail : info@aarthicconsultants.com

LISTED ON :

Bombay Stock Exchange Limited (BSE), Mumbai

Company CIN : L25209TG1984PLC005048



NOTICE TO MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting of M/s. Salguti Industries Limited will be held on Tuesday, the 29th day of September, 2015 at 2.00 p.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, 2015 including audited Balance Sheet as at 31st March, 2015 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 consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s. P Murali & Co., Chartered Accountants (Firm Regn No: 007257S) be and is hereby ratified to hold office as Statutory Auditors of the company, from the conclusion of this Annual General Meeting till conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors."

BY THE ORDER OF BOARD OF DIRECTORS

Sd/-

S.VISHNU VARDHAN REDDY
MANAGING DIRECTOR

PLACE : HYDERABAD

DATE : 14th August, 2015



NOTES

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchange.
3. The relevant details of Directors seeking appointment / re-appointment under item no. 2 of this Notice are provided in the Annual Report.
4. 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.
5. 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.
6. 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 21st September 2015, 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 Friday, 25th September 2015 and



will end at 5.00 p.m. on Monday 28th September 2015. 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.

7. The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on Friday, 25th September 2015 at 10.00 A.M. and ends on Monday 28th September 2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the “Salguti Industries Limited” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option ‘YES/NO’ for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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
- (xx) The e-voting module shall be disabled by CDSL after 5.00 p.m. on 28th September 2015.



- (xxi) The results shall be declared on or before 2nd October 2015. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
8. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Aarhi Consultants Private Limited / Investor Service Department of the Company immediately.
 9. 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. Aarhi Consultants Private Limited / Investor Service Department of the Company.
 10. 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.
 11. 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

M/s. JURALA POWER PVT. LTD.

M/s. KISSON OIL REFINERIES PVT. LTD.

M/s. SALGUTI FINANCE & INVESTMENTS PVT. LTD.

M/s. SALGUTI BUILDERS PVT. LTD.



DIRECTORS' REPORT

To
The Members,
SALGUTI INDUSTRIES LIMITED

Your Directors have pleasure in presenting the 30th Annual Report together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the financial year ended 31st March, 2015.

FINANCIAL RESULTS REVIEW AND PROSPECTS

Your company has recorded a total income of Rs. 12,494.89 lakhs for the year ended 31st March, 2015 against total income of Rs. 12,277.31 Lakhs last year. The company has recorded a net profit of 29.62 lakhs for the current period against net loss of Rs. 71.00 lakhs for the last year which is encouraging. Board of Directors assure you better financial position in the years to come.

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

(Rupees in Lakhs)

Particulars	2014 – 15	2013 – 14
Total Turnover	12,494.89	12,277.31
Expenditure	11,811.09	11,563.93
Finance Cost	689.70	753.83
Profit before Tax	2.72	(33.36)
Less: Provision for Tax	0.52	–
Less: Provision for deferred Income Tax	(27.42)	37.64
Net Profit (after deferred tax)	29.62	(71.00)

THE 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.

DIVIDEND

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

BUSINESS RISK MANAGEMENT

The Company, like any other enterprise, is exposed to business risk which can be internal risks as well as external risks. The threats to the segments in which the company operates are

- Competition from other developing countries, from Vietnam and Bangladesh.
- Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
- Elimination of Quota system will lead to fluctuations in Export Demand.



- Threat for Traditional Market for Powerloom and Handloom Products and forcing them for product diversification.
- Geographical Disadvantages.
- International labor and Environmental Laws.
- To balance the demand and supply.
- To make balance between price and quality.

DEPOSITS

The Company has not accepted deposits covered under Chapter V of the Companies Act, 2013 and accordingly, the disclosure requirements stipulated under the said Chapter are not applicable.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the company has not given any loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, except the remuneration to managerial personnel, there is no other related party transactions to be disclosed as required under the above said statutory requirement.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith elsewhere in the Annual Report.

DEMAT SUSPENSE ACCOUNT UNCLAIMED SHARES

As on 31st March 2015, there were no Equity Shares of Shareholders were lying in the Escrow Account due to non-availability of the correct particulars.

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 together with a certificate from the Statutory Auditor's confirming compliance is set out in the Annexure forming part of this report.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

A Management Discussion and Analysis Report, has been attached and forms part of the Annual Report.

ADDITIONAL INFORMATION AS REQUIRED U/ S 134(3)(m) OF THE COMPANIES ACT, 2013

a) Conservation of Energy:

The Company is monitoring the consumption of energy and is identifying measures for conservation of energy.

- (i) the steps taken by the company for utilising alternate sources of energy - Nil
- (ii) the capital investment on energy conservation equipments - Nil



- (b) (i) Technology Absorption, adaptation and innovation:- Indigenous Technology is involved for the manufacturing the products of the Company.
- (ii) Research and Development (R & D): No research and Development has been carried out.
- (c) Foreign exchange earnings: Rs. 84,18,242
- (d) Foreign exchange out go: Rs. 19,81,593

PARTICULARS OF EMPLOYEES

The Directors are to report that none of the employee was in receipt of remuneration exceeding the limit prescribed under rule 5(2) of the Companies (Appointment and Remuneration of managerial Personnel) Rules 2014.

STATUTORY 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. The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder. Accordingly the statutory auditor of the Company was reappointed from the conclusion of the previous AGM till the conclusion of the AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

BOARD AND COMMITTEES PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR AND THE DATES OF THE BOARD MEETINGS:

The Board met seven times during the financial year 2014-2015.

The dates on which the above Board meetings were held are as follows;

30th May 2014, 23rd June 2014, 11th August 2014, 29th August 2014, 25th October 2014, 13th November 2014, and 14th February 2015.

DIRECTORS & INDEPENDENT DIRECTORS

Board expressed its deep condolences took note and condoled for the sad demise of Shri S. Gopal Reddy, Chairman of the company on 22nd October 2014 in its meeting held on 25th October 2014 and places on record a deep appreciation for the valuable services rendered by the Chairman who steered the company during most difficult phase of economic recession brought back to the success.

Smt. S. Rajitha Reddy, CFO & Whole Time Director of the Company who office is liable to retire by rotation at this AGM and being eligible, offer herself for re-appointment.

At the 29th Annual General Meeting of the Company held on 27th September 2014, the Members of the Company had appointed Independent Directors of the Company, for a period of 5 years. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors responsibilities Statement it is hereby confirmed :

- a. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- b. That the directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year ended 31st March, 2015 and of the profit and loss of the company for that period;
- c. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. That the directors have prepared the annual accounts on a going concern basis.
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

POLICIES

Material Subsidiary

During the year ended March 31, 2015, the Company does not have any material listed/unlisted subsidiary companies as defined in Clause 49 of the Listing Agreement. The policy on determining material unlisted subsidiary of the Company is approved by the Board of Directors of the company.

Vigil Mechanism

The Board of Directors of the company are committed to maintain the highest standard of honesty, openness and accountability and recognize that employees have important role to play in achieving the goal. As a public company the integrity of the financial matters of the Company and the accuracy of financial information is paramount. The stakeholders of the Company and the financial markets rely on this information to make decisions. For these reasons, the Company must maintain workplace where it can retain and treat all complaints concerning questionable accounting practices, internal accounting controls or auditing matters or concerning the reporting of fraudulent financial information to our shareholders, the Government or the financial markets. The employees should be able to raise these free of any discrimination, retaliation or harassment. Pursuant to the policy, employees are encouraged to report questionable accounting practices to Mr. Sri. Draksharam Nagaraj, Chairman of Audit Committee through email or by correspondence through post.

Familiarisation programme for Independent Directors

Pursuant to the provisions of Clause 49 of the Listing Agreement, the Company has formulated a programme for familiarising the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc through various initiatives.

**Key Managerial Personnel**

Smt. S. Rajitha Reddy Chief Financial Officer was appointed as Key Managerial Personnel in accordance with the Section 203 of the Companies Act, 2013.

The Company is in the process of appointing the qualified member of ICSI as Company Secretary.

Related Party Transaction

Policy on dealing with Related Party Transactions is approved by the Board

No related party transactions were entered into during the financial year under review, There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The same was discussed by the Audit Committee as also the Board. The policy on Related Party Transactions as approved by the Board. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on a continuous basis covering all the operations i.e., manufacturing, sales & distribution, marketing, finance, etc. Reports of internal audits are reviewed by management from time to time and desired actions are initiated to strengthen the control and effectiveness of the system.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report is obtained by the company and forms part of this Annual report.

Disclosures pursuant to The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The Disclosures pursuant to sub-rule (1) of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forms part of the Board's Report.
2. The Disclosures pursuant to sub-rule (2) of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company forms part of the Board's Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details pertaining to criteria for determining qualifications, positive attributes and independence of a Director and remuneration policy have been provided in Section of the attached Corporate Governance Report.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

**Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees including trainees are covered under this policy.

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 & National Stock Exchange of India 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.

For and on behalf of the Board
SALGUTI INDUSTRIES LIMITED

Place: Hyderabad
Date: 14th August, 2015

Sd/-
S.Vishnu Vardhan Reddy
Managing Director

Sd/-
S.Rajita Reddy
CFO & Whole-Time Director



MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Internal control systems are aimed at promoting operational efficiencies while stressing adherences to policies. The systems are designed with adequate internal controls commensurate size and nature of operations. Transactions are executed in accordance with the company policies. Assets are safeguarded and deployed in accordance with the Company's Policies.



The Company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on a continuous basis covering all the operations i.e., manufacturing, sales & distribution, marketing, finance, etc. Reports of internal audits are reviewed by management from time to time and desired actions are initiated to strengthen the control and effectiveness of the system.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Company is able to retain the experienced staff, in spite of the copper consuming Industries are under recession, the Company feels confident of keeping its manpower costs to below industry norms. The atmosphere that is created in the organization is conducive for self-development and career growth; this is the success in retaining our manpower.



FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
SALGUTI INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Salguti Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2015 according to the applicable provisions of:

- i. The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (not applicable to the company during the audit period).
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and (not applicable to the company during the audit period).
- vi. We have not audited the factories laws, labour laws.



We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are yet to be specified under the Act by the Institute.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously. We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of Amalgamation or arrangements.

Hyderabad
August 14, 2015

Sd/-
Sarada Putcha
Company Secretary

FCS No: 21717, CP No: 8735

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,
The Members,
Salguti Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. There was some delay in filing of e-forms with ROC and Annual Report submitted to BSE for 2013-14.
8. We have relied upon the information submitted by the Management w.r.t related party transaction for its compliance.

Sd/-
Sarada Putcha
Company Secretary

Hyderabad
August 14, 2015

FCS No: 21717, CP No: 8735



Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st, March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	:	L25209TG1984PLC005048
ii. Registration Date	:	20th October 1984
iii. Name of the Company	:	SALGUTI INDUSTRIES LTD.
iv. Category / Sub-Category of the Company	:	Indian – Non- Govt. Company
v. Address of the Registered office and contact details	:	1-2-288/6/4, DOMALAGUDA, HYDERABAD, Telangana
vi. Whether listed company Yes / No	:	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/S. Aarathi Consultants Pvt. Ltd., 1-2-285, Domalguda, Hyderabad - 500 029. Tel. No.: 040-2763 8111, 2763 4445 Fax : 0091-40-2763 2184

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Sl.No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Textiles	6302	74.10%
2	Plastics	303503009	25.72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL

Sl.No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate
1	NA		



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2567350	69375	2636725	34.99	2682725	----	2682725	35.60	0.61
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	2271875	100000	2371875	31.47	2371875	---	2371875	31.47	---
e) Banks / FI									
f) Any other									---
(2) Foreign									
a) Individual									
b) Bodies Corp.									---
c) QIB									
Total shareholding of Promoter (A)	4839225	169375	5008600	66.46	5054600	----	5054600	67.07	0.61
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									---
b) Banks / FI									---
c) Central Govt									---
d) State Govt(s)	250000	----	250000	3.32	250000	----	250000	3.32	-----
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									



h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									---
2. Non-Institutions									
a) Bodies Corp.	5100	441200	446300	5.92	214600	231300	445900	5.92	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	235400	1348400	1583800	21.01	241580	1333900	1575480	20.90	-0.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	38000	206000	244000	3.24	0	206000	206000	2.73	-0.51
c) Others (specify)						0			
Non Resident Indians	2000	2000	4000	0.05	2200	2000	4200	0.06	0.01
Overseas Corporate Bodies									---
Foreign Nationals									
Clearing Members	---	---	---		520	---	520	0.01	0.01
Trusts									
Foreign Bodies –									
D R									
Sub-total (B)(2):-	280500	1997600	2278100	30.23	458900	1773200	2232100	29.62	-0.61
Total Public Shareholding (B)=(B)(1)+ (B)(2)	530500	1997600	2528100	33.54	708900	1773200	2482100	32.93	-0.61
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	5369725	2166975	7536700	100	5763500	1773200	7536700	100	---



ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of total Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of total Pledged / encumbered to total shares	
1.	SALGUTI FINANCE & INVESTMENTS (P) LTD.,	1454375	19.3	0	1454375	19.3	0	0
2.	VISHNU VARDHAN REDDY SALGUTI	892400	11.84	0	892400	11.84	0	0
3.	RAJITHA REDDY SALGUTI	492700	6.54	0	492700	6.54	0	0
4.	SALGUTI TEXTILES PVT LTD.,	472500	6.27	0	472500	6.27	0	0
5.	PRAJWAL R SALGUTI	366300	4.86	0	366300	4.86	0	0
6.	SALGUTI BUILDERS PVT LTD.,	227500	3.02	0	227500	3.02	0	0
7.	KRISHNA REDDY MALLEPALLY	213800	2.84	0	213800	2.84	0	0
8.	SULOCHANA MALLEPALLY	203050	2.69	0	203050	2.69	0	0
9.	RAJESHWARAMMA SALGUTI	179200	2.38	0	179200	2.38	0	0
10.	GOPAL REDDY SALGUTI	171800	2.28	0	171800	2.28	0	0
11.	M/S.KISSAN OIL REFINARIES (P) LTD.,	117500	1.56	0	117500	1.56	0	0
12.	JURALA POWER PROJECTS PVT LTD	50000	0.66	0	50000	0.66	0	0
13.	GADWAL POWER PROJECTS PVT LTD	50000	0.66	0	50000	0.66	0	0
14.	G. HANUMANTH REDDY	28750	0.38	0	34250	0.45	0	0
15.	VENKATESHWARA REDDY SALUGUTI	24000	0.32	0	24000	0.32	0	0
16.	B RAVINDER REDDY	15625	0.21	0	----	-----	0	-0.21
17.	RAGHUVARDHAN REDDY MASTIPOOR	12000	0.16	0	12000	0.16	0	0
18.	MUTYALA VENKATAIAH	10500	0.14	0	10500	0.14	0	0
19.	SAVITHA R MALLEPALLI	5000	0.07	0	----	-----	0	-0.07
20.	SUDHEER R MALLEPALLI	5000	0.07	0	27500	0.36	0	0.29
21.	B JYOTHI REDDY	5000	0.07	0	23125	0.31	0	0.24
22.	K RAVENDER REDDY	5000	0.07	0	----	-----	0	-0.07
23.	K INDRA REDDY	5000	0.07	0	30500	0.40	0	0.33
24.	MUNDLA LAKSHMIKAR REDDY	1600	0.02	0	1600	0.02	0	0



iii) Change in Promoters' Shareholding (please specify, if there is no change): NO CHANGE

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5008600	66.46	46000	0.61
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Due to consolidation of folios			
	At the end of the year	5054600	67.07		

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		Detail list is available at registered office of the company at free of cost.		
	At the end of the year				


V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	252920570	135333635	0	388254205
ii) Interest due but not paid	756028	0	0	756028
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	253676598	135333635	0	389010233
Change in Indebtedness during the financial year				
* Addition	203431336	0	0	203431336
* Reduction	0	4807857	0	-4807857
Net Change	203421336	-4807857	0	198613479
Indebtedness at the end of the financial year				
i) Principal Amount	456411977	130525778	0	586937755
ii) Interest due but not paid	695957	0	0	695957
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	457107934	130525778	0	587633712



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (Rs.)
		Vishnuvardhan Reddy	Rajitha Reddy	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,000/-	2,40,000/-	3,60,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---	---	
2	Stock Option	---	---	
3	Sweat Equity	---	---	
4	Commission as % of profit others, specify...	---	---	
5	Others, please specify	---	---	
	Total (A)	1,20,000/-	2,40,000/-	3,60,000/-
	Ceiling as per the Act	---	---	---

B. Remuneration to other directors: **NIL**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	----	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO (S. Rajitha Reddy)	Total
1	Gross salary	----	----	2,40,000/-	2,40,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	----	----	----	----
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----	----	----
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----	----	----	----
2	Stock Option	----	----	----	----
3	Sweat Equity	----	----	----	----
4	Commission	----	----	----	----
	- as % of profit	----	----	----	----
	others, specify...	----	----	----	----
5	Others, please specify	----	----	----	----
	Total	----	----	2,40,000/-	2,40,000/-


VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					



REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF 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

- The Company has 5 (five) Directors out of which 3 (three) are Non-Executive Independent Directors, 2 (two) are Executive Directors (including Managing Director). 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, 2015.
- 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 8 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

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

* Sri S. Gopal Reddy, Chairman of the Company had passed away on 22nd October 2014.



The Board met seven times during the financial year 2014-2015.

The dates on which the above Board meetings were held are as follows;

30th May 2014, 23rd June 2014, 11th August 2014, 29th August 2014, 25th October 2014, 13th November 2014, and 14th February 2015.

The attendance of each Director during the financial year is as under:

Name of the Director	No. of Board Meetings held	No. of Meetings attended	Presence at AGM
Sri S. Gopal Reddy	4	Nil	No
Sri S. Vishnu Vardhan Reddy	7	7	Yes
Smt. S. Rajita Reddy	7	7	Yes
Sri V. R. Vasudevan	7	7	No
Smt. Uma Reddy Raavi	7	7	Yes
Sri Draksharam Nagaraj	7	7	Yes

* Sri S Gopal Reddy, Chairman of the Company had passed away on 22nd October 2014.

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

During the year, information as mentioned in Annexure to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

3. Audit Committee

- I). The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with the provision of the Companies Act, 2013.
- II) The terms of reference of the Audit Committee include a review of;
 - a. 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.
 - b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - c. 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.
 - d. Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - e. 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
- f. Reviewing the company's financial and risk management's policies.
 - g. Disclosure of contingent liabilities.
 - h. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - i. 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.
 - j. Discussion with internal auditors of any significant findings and follow-up thereon.
 - k. 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.
 - l. 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.
 - m. Reviewing compliances as regards the Company's Whistle Blower Policy.

III) The previous Annual General Meeting of the Company was held on 27th September 2014 and **Sri. Draksharam Nagaraj**, Chairman of the Audit Committee, attended previous AGM.

The attendance of each member of the Audit Committee are given below :

S.No.	Name of the Director	Designation	No. of Meetings held	No. of Meetings attended
1	Sri Draksharam Nagaraj	Chairman	5	5
2	Sri Ravi Rajender Reddy	Member	5	5
3	Smt. Uma Reddy Raavi	Member	5	5

IV) During the financial year five Audit Committee meetings were held on 30th May 2014, 11th August 2014, 29th August 2014, 13th November 2014, and 14th February 2015.

The necessary quorum was present at all the meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Committee is given below :

S.No.	Name of the Director	Designation
1	Sri. Draksharam Nagaraj	Chairman
2	Sri. Ravi Rajender Reddy	Member
3	Smt. Uma Reddy Raavi	Member



5. REMUNERATION OF DIRECTORS:

Details of remuneration paid to Directors are given below:

Name of the Director	Relation-ship with other Directors	Business relationship with Company if any	Loans and advances from Company	Remuneration	Paid during the Year 2014-15		
					Sitting Fees	Salary	Commis-sion
Sri S. Vishnu Vardhan Reddy	Related Rajitha Reddy	Promoter Director	NIL	---	1,20,000	---	1,20,000
Smt. S. Rajita Reddy	Related to Sri Vishnuvardhan Reddy	Promoter	NIL	---	2,40,000	---	2,40,000

Note : No setting fee' was paid to any Director for attending any Board Meeting or any committee meeting.

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, except the remuneration to managerial personnel, there is no other related party transactions to be disclosed.

6. STAKEHOLDERS RELATIONSHIP / INVESTORS GRIEVANCE COMMITTEE:

The Committee oversees share transfers and monitors investor grievances. To look into the redressal of shareholders and investors complaints like – transfer of shares, non – receipt of balance Sheet, non-receipt of declared dividends etc.,

The Committee consists of the following Directors :

S.No.	Name of the Director	Designation
1	Sri. Draksharam Nagaraj	Chairman
2	Sri. Ravi Rajender Reddy	Member
3	Smt. Uma Reddy Raavi	Member

Details of Complaints received/resolved :

During the period under review, no complaints were received from the shareholders, and there are no pending Complaints as on date of this report.

Company has made all the arrangements to resolve all the investors' Complaints if any, within seven days from the date of receipt of the complaint, as communicated by our Share Transfer Agents M/s. Aarthi Consultants Pvt. Ltd. The outstanding complaints as on 31st March, 2015 were: NIL.



INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has complied with the requirement of training of the Independent Directors and their performance evaluation and holding separate meetings for the Independent Directors.

7. DETAILS OF ANNUAL GENERAL MEETINGS: LOCATION AND TIME OF THE LAST THREE AGMS.

AGM	YEAR	VENUE	Date	Time
29th	2013-2014	Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044.	27.09.2014	11.00 A.M.
28th	2012-2013	Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044.	26.09.2013	12.30 PM
27th	2011-2012	Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044.	27.09.2012	11.00 AM

Postal ballot:

During the year under review, the company has not sought the approval of the members of the company by conducting postal ballot.

8. DISCLOSURES

- i. There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- ii. There was no incidence of non-compliance during the last three years by the Company on any matter related top Capital markets. There were no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, except the delay filing of Annual Report for 2013-14.
- iii. The Company has complied with all the mandatory requirements of Clause 49.

9. NOTES ON DIRECTORS APPOINTMENT/RE-APPOINTMENT:

Relevant details forms part of the explanatory statement to the notice of the Annual General Meeting/Director's Report.

10. MEANS OF COMMUNICATIONS

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. 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.



11. GENERAL SHAREHOLDER INFORMATION:

(I) Annual General Meeting

Date : 29th September, 2015

Time : 2.00 p.m.

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

(II) Financial Calendar 1st April 2015 to 31st March 2016 (Tentative Schedule)

Quarter ending September 30, 2015 : 1st / 2nd week of November 2015

Quarter ending December 31, 2015 : 1st / 2nd week of February 2016

Quarter ending March 31, 2016 : on or before 30th May 2016

Annual General Meeting for : Before end of September, 2016

FY ended 31st March, 2016

(III) Date of Book Closure : 22nd September 2015 to 29th September 2015

(IV) Listing on Stock Exchanges :

1. The Bombay Stock Exchange Limited (BSE)

The listing fee has been paid to all the Stock Exchanges where the Company's shares are listed.

(V) Stock Code

The Bombay Stock Exchange Limited (BSE) : 526554 / SALGUTI

Dematerialization of Securities : ISIN: INE 159C01012

(VI) Market Price Data: High, Low during each Month in last Financial Year

During the financial year the shares of the company were traded on Bombay Stock Exchange Limited, the following Market Price High & Low during each Month in the Last Financial Year 2014-15 as follows:

Month & Year	BSE (in Rs.)	
	High	Low
April 2014	0	0
May 2014	0	0
June 2014	0	0
July 2014	0	0
August 2014	15.75	13.54
September 2014	14.9	11
October 2014	10.57	6.37
November 2014	6.14	5.58
December 2014	9.04	6.02
January 2015	14.91	9.02
February 2015	15.2	9.97
March 2015	9.48	9.48



(VII) Stock Performance in Comparison to Broad-based indices such as BSE Sensex, CRISIL Index, BZX 200, Nifty etc.

During the financial year the shares of the company were traded actively and the Share price has been moving with the trend of the indices.

(VIII) Transfer Agents

M/s. Aarathi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500 029.
Ph: 040-2763 8111; 040-2763 4445
Fax: 040-2763 2184
Website: www.aarthiconsultants.com
Email: info@arthiconsultants.com

(IX) Share Transfer System

Documents will be accepted at

M/s. Aarathi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500 029.
Ph: 040-2763 8111; 040-2763 4445
Fax: 040-2763 2184
Website: www.aarthiconsultants.com
Email: info@arthiconsultants.com

(X) Statement Showing Distribution Schedule as on 31.03.2015

Sl. No.	CATEGORY	HOLDERS	HOLDERS PERCENT-AGE	SHARES	AMOUNT	AMOUNT PERCENT-AGE
1	1 - 5000	2474	77.99	573165	5731650	7.6
2	5001 - 10000	312	9.84	269372	2693720	3.57
3	10001 - 20000	306	9.65	547246	5472460	7.26
4	20001 - 30000	16	0.5	43800	438000	0.58
5	30001 - 40000	9	0.28	31600	316000	0.42
6	40001 - 50000	11	0.35	55000	550000	0.73
7	50001 - 100000	12	0.38	85117	851170	1.13
8	100001 & Above	32	1.01	5931400	59314000	78.7
	Total :	3172	100	7536700	75367000	100



(XI) Statement Showing Shareholding Pattern as on 31.03.2015

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	15	2682725	2682725	35.60	35.60
(a)	Individuals/Hindu Undivided Family					
(c)	Bodies Corporate	6	2371875	2371875	31.47	31.47
(e-ii)	Trusts					
	Sub Total (A)(1)	21	5054600	5054600	67.07	67.07
2	Foreign					
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)					
(b)	Bodies Corporate					
	Sub Total (A)(2)	21	5054600	5054600	67.07	67.07
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)					
(B)	Public Shareholding					
1	Institutions					
(a)	Mutual Funds/UTI					
(b)	Financial Institutions/Banks					
(c)	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	445900	214600	5.92	5.92
(b)	Individuals					
(I)	Individual shareholders holding nominal share capital upto Rs.1 lakh	3112	1575480	241580	20.90	20.90
(II)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	6	206000	0	2.73	2.73
(d)	Any Others(Specify)					
(d-i)	Non Resident Individuals	7	4200	2200	0.06	0.06
(d-ii)	Overseas Corporate Bodies					
(d-v)	Clearing Members	1	520	520	0.01	0.01
	Sub Total (B)(2)	3150	2232100	458900	29.62	29.62
	Total Public Shareholding (B)=(B)(1)+(B)(2)	3151	2482100	708900	29.62	29.62
	Total (A)+(B)	3172	7536700	5763500	100	100



(XII) Dematerialization of shares & liquidity

The Company's shares are compulsory traded in dematerialized form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Company representing 76.47% of the company's share capital are dematerialized as on 31st March 2015.

The Company's shares are listed and eligible to trade on the above-mentioned Stock Exchanges in electronic form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE 159C01012**.

(XIII) Plant Location	Plot No. 154/A2, Sri Venkateswara Indl. Estate, Bollaram, Medak Dist. Telangana	Survey No. 548/A, Mudireddypalli Village, Balanagar Mandal, Mahaboobnagar Dist. Telangana	Plot No.310/311, Gollapally Village, Jadcherla Mandal, Mahaboobnagar Dist. Telangana
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(XIV) Address for Correspondence	D.No. 1-2-288/6/4, Domalguda Hyderabad - 500 029.
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12. OTHER DISCLOSURES AS PER CLAUSE 49 OF THE LISTING AGREEMENT

i. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2014-15

SALGUTI INDUSTRIES is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted "Code of Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Conduct, under a certificate of Code of Conduct for the year 2014-15.

Sd/-

S.Vishnu Vardhan Reddy
Managing Director

Place: Hyderabad
Date: 14th August, 2015

**12. OTHER DISCLOSURES AS PER CLAUSE 49 OF THE LISTING AGREEMENT****ii. Disclosure of Accounting Treatment**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under the provisions of the Companies Act, 2013.

iii. Non executive directors' compensation and disclosures

None of the Independent / Non-executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independence of the Directors.

iv. CEO/CFO Certification

The CEO and CFO certification of the financial statements for the year 2014-15 is provided elsewhere in this Annual Report.

For and on behalf of the Board
SALGUTI INDUSTRIES LIMITED

Place: Hyderabad
Date: 14th August, 2015

Sd/-
S.Vishnu Vardhan Reddy
Managing Director

Sd/-
S.Rajita Reddy
CFO & Whole-Time Director



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

I, Vishnuvardhan 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 2015 and to the best of our knowledge and belief;
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the company's affair 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 purpose 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) There is no Instances of significant fraud of which we have become aware and the involvement of an employee having a significant role in the company's internal control system.

Place: Hyderabad
Date: 14th August, 2015

Sd/-
S.Vishnu Vardhan Reddy
Managing Director

Sd/-
S. Rajitha Reddy
Chief Financial Officer



CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members,
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 M/s Salguti Industries Limited (“the company”) for the year ended 31st March, 2015 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 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: 14th August, 2015

Sd/-
A. Krishna Rao
Partner
Membership No. 020085



INDEPENDENT AUDITORS' REPORT (DRAFT)

To,
The Members,
SALGUTI 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, 2015, 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:

The Company Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements:

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31st March 2015, its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order , to the extent applicable.

2. As required by section 143(3) of the Act, we further report that:

- a) we have sought and 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 account 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company

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

PLACE : HYDERABAD
DATE : 30-05-2015

Sd/-
A. KRISHNA RAO
PARTNER
Membership No. 020085



Annexure referred to in paragraph 1 of Our Report of even date to the members of Salguti Industries Limited on the accounts of the company for the year ended 31st March, 2015 Under "Report on other Legal & Regulatory Requirements"

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies between the book records and physical inventory have been noticed on such verification.
- ii.
 - (a) The inventory has been physically verified during the year by the Management 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 is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion 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. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness in the aforesaid internal control system has been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. We have broadly verified the books of accounts and records maintained by the company relating to the manufacture of Textile and Plastic products pursuant to the order made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013, and are of the opinion that , prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine, whether they are accurate and complete.
- vii.
 - (a) In our opinion the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India; There were no undisputed statutory dues in arrears as at 31st March 2015 for a period of more than 6 months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
 - (c) There are no amounts that are due to be transferred to the Investors Education and protection Fund in accordance with the relevant provisions of the Companies Act, 1956 [1 of 1956] and rules made there under.



- viii. The Company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution/banks. The company has not issued any debentures.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions. Accordingly, the provisions of the clause is not applicable to the company.
- xi. 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.
- xii. To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

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

Sd/-
A. KRISHNA RAO
PARTNER
Membership No. 020085

PLACE : HYDERABAD
DATE : 30-05-2015



BALANCE SHEET AS AT 31.03.2015

Particulars	Note No	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	7,53,67,000	7,53,67,000
(b) Reserves and Surplus	2	3,57,68,815	4,38,78,343
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	28,86,08,071	34,52,40,378
(b) Deferred Tax Liabilities (Net)	4	4,12,00,324	4,39,42,056
(4) Current Liabilities			
(a) Short-Term Borrowings	5	23,79,36,589	22,67,17,845
(b) Trade Payables	6	12,80,41,111	8,33,11,208
(c) Other Current Liabilities	7	6,58,55,727	5,76,53,203
(d) Short-Term Provisions	8	42,85,073	30,30,267
	Total	87,70,62,709	87,91,40,300
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible & Intangible Assets	9	34,36,35,379	38,13,40,599
(b) Long-Term Loans and Advances	10	2,02,13,031	1,86,18,876
(c) Other Non Current Assets	11	42,84,415	55,63,386
(2) Current assets			
(a) Inventories	12	24,89,71,255	25,66,54,558
(b) Trade Receivables	13	20,66,20,129	18,64,68,738
(c) Cash and Bank Balances	14	10,60,712	5,52,784
(d) Short Term Loans and Advances	15	3,25,56,797	2,88,74,331
(e) Other Current Assets	16	1,97,20,992	10,67,029
	Total	87,70,62,709	87,91,40,300

Significant Accounting Policies &

The accompanying Notes are Integral part of 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

Sd/-

Managing Director

CFO & Whole-Time Director

A. Krishna Rao

Partner

Membership No. 020085

Place : Hyderabad

Date : 30-05-2015



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2015

Particulars	Note No	Year Ending 31-03-2015 ₹	Year Ending 31-03-2014 ₹
Revenue from Operations	17	124,94,89,460	122,77,31,434
Other Income	18	8,61,248	7,07,948
Total Revenue		125,03,50,708	122,84,39,382
Expenses:			
Cost of materials consumed	19	97,42,23,295	102,25,05,530
Increase in Inventory (Finished goods & WIP)	20	1,73,24,988	(4,11,29,524)
Employee Benefit Expenses	21	53,356,580	4,79,93,698
Other Operating Expenses	22	9,39,27,947	9,08,46,224
Administrative Expenses	23	95,52,592	90,92,031
Financial Costs	24	6,89,69,819	7,53,81,834
Depreciation and Amortization Expense	9	3,27,23,600	2,70,85,748
Total Expenses		125,00,78,821	123,17,75,541
Profit / (Loss) Before Tax		2,71,887	(33,36,159)
Tax Expense:			
(1) Current tax		51,808	-
(2) Deferred tax		(27,41,733)	37,63,735
Profit / (Loss) After Tax		29,61,811	(70,99,894)
Earning per equity share:			
(1) Basic EPS		0.39	(0.94)
(2) Diluted EPS		0.39	(0.94)

Significant Accounting Policies

The accompanying Notes are integral part of 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

CFO & Whole-Time Director

Sd/-

A. Krishna Rao

Partner

Membership No. 020085

Place : Hyderabad

Date : 30-05-2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2015

Particulars	Year Ended 31st March, 2015 ₹	Year Ended 31st March, 2014 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary items	2,71,887	(33,36,159)
Add : Adjustment for		
-- Depreciation and Amortization Expenses	3,27,23,600	2,70,85,748
-- Financing Charges	6,89,69,819	7,53,81,834
Operating Profit Before Working Capital Changes	10,19,65,306	9,91,31,423
Working Capital changes		
Add / (Less) : (Increase) / Decrease in		
-- Trade Receivables	(2,01,51,391)	46,56,711
-- Inventories	76,83,303	(5,95,26,484)
-- Short Term Loans and Advances	(36,82,466)	(10,56,158)
-- Other current assets	(1,86,53,963)	(4,39,530)
-- Trade Payables	4,47,29,903	22,18,983
-- Other current liabilities	82,02,524	1,72,86,095
--Short term borrowings	1,12,18,744	34,58,309
--Short term provisions	12,54,806	(3,36,088)
Cash Generated from Operations	13,25,66,766	6,53,93,261
Less : Income tax Paid	51,808	--
NET CASH FLOWS FROM OPERATING ACTIVITIES	13,25,14,958	6,53,93,261
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(48,10,748)	(52,44,852)
(Increase) / Decrease in Capital Work in Progress	--	--
(Increase) / Decrease in Miscellaneous Expenditure	--	(22,29,230)
(Increase) / Decrease in Investments	--	--
-- Repayment of Loans and advances	(15,94,155)	(2,450,493)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(64,04,903)	(1,00,44,575)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
-- Increase in Share Capital	--	--
-- Increase in Capital Subsidy	--	--
-- Secured Loans taken	(5,66,32,307)	1,90,39,504
-- Financing Charges	(6,89,69,819)	(7,53,81,834)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(12,56,02,127)	(5,63,42,330)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(5,07,928)	(9,93,644)
Opening Cash and Equivalents	5,52,784	15,46,428
Closing Cash and Equivalents	10,60,712	5,52,784

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

CFO & Whole Time Director

A. Krishna Rao

Partner

Membership No. 020085

Place : Hyderabad

Date : 30-05-2015



SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION:

The Salguti Industries Limited incorporated on 20th October 1984 as a Private Limited Company and converted in to Public Company on 17th August 1992. SIL (Salguti Industries Limited) has started the manufacturing unit in Plastic Division in small scale in the year 1986, gradually the capacities have been increased and the company has graduated to medium scale by 1994. SIL is one of the leading manufacturers of HDPE/PP woven sacks in India. SIL has diversified in to Textiles manufacturing industry in the year of 2006. SIL (Salguti Industries Limited) has started the manufacturing unit in Plastic Division in small scale in the year 1986.

BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (India GAAP) under historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under section 133 of the companies act, 2013, read with Rule 7 of the companies (Accounts) Rules, 2014 and guidelines lines issued by the securities and exchange board of India (SEBI). Accounting policies have been consistently applied.

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.

The cash flow statement is prepared by using "indirect method" set out in Accounting Standard (AS-3) "Cash Flow Statement" and presents the cash flows by operating, investing, and financing activities of the Company. Cash and Cash Equivalents Presented in the Cash Flow Statement consist of Cash on hand and unencumbered, liquid Bank Balances

(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 on pro-rata basis and as per useful life as prescribed under Part C of Schedule II of the Companies Act, 2013. 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 5 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**.

(l) 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, 2015

NOTE NO. 1 : SHARE CAPITAL

Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
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 31-03-2015 ₹	As on 31-03-2014 ₹
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	3,901,048	11,000,942
Add: Transfer from Profit & Loss Account	2,961,811	(7,099,894)
Less : Amount adjustment Pursuant to Schedule II of Companies Act 2013	11,071,339	-
	(42,08,480)	39,01,048
Total Reserves and Surplus	35,768,815	43,878,343

**NOTE NO. 3 : LONG TERM BORROWINGS**

Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
Long Term Borrowings		
i) Secured Loans		
From Banks	119,028,956	152,613,725
From Institutions	39,053,337	57,293,000
	158,082,293	209,906,725
ii) Un Secured Loans		
From Directors and their relatives	92,144,396	96,952,271
From Others	38,381,382	38,381,382
	130,525,778	135,333,653
Total	288,608,071	345,240,378

Notes: Loans from Banks & Financial Institutions

- 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.
- 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.
- Interest Free Unsecured loan taken from Directors and their relatives.
- The Rajapur Unit was sanctioned Sales Tax Deferment issued by the Commissioner of Industries, Hyderabad in the year 1997-98. Hence Sales Tax collected in the previous year is debited to Profit and Loss account and the same was shown under unsecured loans. (Unsecured Loans includes Rs. 328.90 Lakhs (Previous year Rs. 328.90 Lakhs) Sales Tax Deferment amount. (Refer Note No. 31)

NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)

Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
Opening Deferred tax Liability	43,942,056	40,178,321
Add: Deferred Tax Liability for the year		
(Due to SLM and WDV Difference)	(2,741,733)	3,763,735
Deferred Tax Liability/ (Asset) - Net	41,200,324	43,942,056

NOTE NO. 5 : SHORT TERM BORROWINGS

Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
Short term Borrowings		
a) Cash Credits and Working Capital Demand Loan from Banks		
- Secured From Banks	237,936,589	226,717,845
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	237,936,589	226,717,845



Notes to Financial Statements for the year ended March 31, 2015

NOTE NO. 6 : TRADE PAYABLES

Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
a) Trade Payables	128,041,111	83,311,208
Total Trade Payables	128,041,111	83,311,208

NOTE NO. 7 : OTHER CURRENT LIABILITIES

Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
a) Current maturities of long term debt - Term Loan	60,393,095	52,116,000
b) Interest Payable	695,957	756,028
c) Outstanding Expenses Payable	4,623,405	4,686,905
d) Audit Fee Payable	133,270	84,270
e) Directors Remuneration Payable	10,000	10,000
Total Other Current Liabilities	65,855,727	57,653,203

NOTE NO. 8 : SHORT TERM PROVISIONS

Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
a) Provisions for employee benefits		
PF Payable	87,420	75,013
ESI Payable	24,302	21,239
Salaries Payable	3,918,486	2,775,505
b) Others		
Statutory Liabilities	203,057	158,510
Provision for Income Tax	51,808	-
Total Short Term Provisions	4,285,073	3,030,267



NOTE NO 9 : TANGIBLE ASSETS AS AT 31-03-2015		Particulars	Gross Block			Depreciation / Amortization				Net Block as on 31-03-2015	Net Block as on 31-03-2014	
			As on 01-04-2014	Additions during the year	Deletions during the year	As on 31-03-2015	Dep. As on 01-04-2014	Transfer to Retained Earnings	Dep. for the Year 2014-2015			Total Depreciation
		Tangible Fixed Assets:										
1		Land	1,296,186	-	-	1,296,186	-	-	-	-	-	1,296,186
2		Factory Building	95,452,920	-	-	95,452,920	19,371,808	-	2,839,337	-	22,211,145	73,241,774
3		Plant & Machinery	444,838,058	4,765,248	-	449,603,306	157,964,171	10,799,009	25,039,804	-	193,802,984	255,800,322
4		Electrical Equipments	22,156,145	-	-	22,156,145	6,495,538	-	3,200,072	-	9,695,610	15,460,535
5		Furniture & Fittings	1,368,806	-	-	1,368,806	851,853	-	138,392	-	990,246	378,560
6		Computers	3,391,308	45,500	-	3,436,808	3,101,776	-	115,162	-	3,216,938	219,870
7		Vehicles	4,027,101	-	-	4,027,101	3,404,778	272,331	111,861	-	3,788,970	238,131
1		Unamortised Expenses	8,062,761	-	-	8,062,761	2,499,375	-	1,278,971	-	3,778,346	4,284,415
		TOTAL	572,530,524	4,810,748	-	577,341,272	191,189,925	11,071,339	31,444,629	233,705,893	343,635,379	381,340,599
		Previous Year	487,069,713	80,215,959	-	567,285,672	140,397,986	11,071,339	24,539,317	164,937,302	402,348,369	346,671,727

Note : Refer Note No. 32



Notes to Financial Statements for the year ended March 31, 2015

NOTE NO. 10 : LONG TERM LOANS AND ADVANCES

S.No.	Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I	a) Security Deposit	15,760,287	14,980,051
	b) Gratuity fund	2,724,020	1,953,575
	c) Other Advances	1,728,724	1,685,250
	Total Long Term Loans and Advances	20,213,031	18,618,876

NOTE NO. 11 : OTHER NON CURRENT ASSETS

S.No.	Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I	a) Unamortised Expenses	4,284,415	5,563,386
	Total Other Non-Current Assets	4,284,415	5,563,386

NOTE NO. 12 : INVENTORIES

S.No.	Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I	a) Raw materials	79,613,613	69,971,928
	b) Work - in - progress	138,056,792	139,200,778
	c) Finished goods	31,300,850	47,481,852
	Total Inventories	248,971,255	256,654,558

NOTE NO. 13 : TRADE RECEIVABLES

S.No.	Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	11,082,341	10,696,121
	Other Receivables		
	Unsecured, Considered Good	195,537,788	175,772,618
	Total Trade Receivables	206,620,129	186,468,738

NOTE NO. 14 : CASH AND BANK BALANCES

S.No.	Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I	Cash and Cash Equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	92,787	116,059
	b) Cash on Hand	967,924	436,724
	Total Cash and Cash Equivalents	1,060,712	552,784



Notes to Financial Statements for the year ended March 31, 2015

NOTE NO. 15 : SHORT TERM LOANS AND ADVANCES

S.No.	Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I	a) Security Deposit	11,521,893	10,445,728
	b) Advances to Employees	2,927,366	1,183,996
	c) Advances to Suppliers	10,753,703	7,621,440
	d) Other Advances	7,353,835	9,623,167
	Total Short Term Loans and Advances	32,556,797	28,874,331

NOTE NO. 16 : OTHER CURRENT ASSETS

S.No.	Particulars	As on 31-03-2015 ₹	As on 31-03-2014 ₹
I	A) Interest Accured On Deposits	-	692,994
	b) Advance Income tax	200,000	200,000
	c) VAT Receivable	19,295,622	-
	d) TDS Receivable	225,370	174,035
	Total Other Current Assets	19,720,992	1,067,029

NOTE NO. 17 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	Revenue from operations		
	(a) Sale of Products		
	(i) HDPE/PP WOVEN SACKS/HDPE FABRIC/COTTON AND BLEND FABRIC	1,247,209,343	1,226,236,803
	(b) Other Operating Income	2,280,117	1,494,631
	Total Revenue from Operations	1,249,489,460	1,227,731,434

NOTE NO. 18 : OTHER INCOME

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	(a) Interest Income	861,248	707,948
	Total Other Income	861,248	707,948

NOTE NO. 19 : COST OF MATERIALS CONSUMED

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	Opening Stock of Raw Materials	69,971,928	51,574,968
	Add : Purchases During the year	983,864,980	1,040,902,490
	Less: Closing Stock of Raw material	79,613,613	69,971,928
	Total Cost Of Material Consumed	974,223,295	1,022,505,530



Notes to Financial Statements for the year ended March 31, 2015

NOTE NO. 20 : CHANGE IN INVENTORIES & WIP.

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	Finished Goods		
	Finished goods at the beginning of the year	47,481,852	24,542,459
	Less : Finished goods at the end of the year	31,300,850	47,481,852
	Sub Total (A)	16,181,002	(22,939,393)
	Work in Progress		
	Work in progress at the beginning of the year	139,200,778	121,010,647
	Less : work in progress at the end of the year	138,056,792	139,200,778
	Sub Total (B)	1,143,986	(18,190,131)
	(Increase) / Decrease in Inventories (A+B)	17,324,988	(41,129,524)

NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	(a) Salaries & Wages	50,230,493	45,577,874
	(b) Contribution to Provident & Other Funds	1,294,870	989,077
	(c) Staff Welfare Expenses	1,831,217	1,426,747
	Total Employee Benefit Expenses	53,356,580	47,993,698

NOTE NO. 22 : OTHER OPERATING EXPENSES

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	(a) Consumption of Stores & Spares	765,766	221,561
	(b) Power & Fuel	62,537,951	65,148,714
	(c) Rent	-	60,500
	(d) Repairs & Maintenance	860,871	868,185
	(e) Repairs to Machinery	482,582	481,528
	(f) Insurance	1,925,342	2,056,608
	(g) Rates & Taxes (excluding Income Tax)	3,393,109	2,903,153
	(h) Transportation	10,200,289	7,006,689
	(i) Other Manufacturing Expenditure	13,884,788	12,099,286
	(j) Foreign Exchange (Gain) / Loss	(1,22,751)	-
	Total Other Operating Expenses	93,927,947	90,846,224



Notes to Financial Statements for the year ended March 31, 2015

NOTE NO. 23 : ADMINSTRATIVE EXPENSES

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	(a) Telephone, Postage and Others	252,333	353,237
	(b) Business Promotion Expenses	4,345,181	4,133,752
	(c) Conveyance	1,137,651	1,097,175
	(d) Office Maintenance	23,248	27,477
	(e) Printing & Stationery Expenses	184,737	282,421
	(f) Security Charges	2,059,913	1,911,111
	(g) Managerial Remuneration	120,000	120,000
	(h) Consultancy Charges	114,800	218,050
	(i) AGM Fees	128,929	139,197
	(j) General Expenses	1,071,800	725,341
	(k) Payment to Auditors		
	(i) As Auditor	114,000	84,270
		9,552,592	9,092,031

NOTE NO. 24 : FINANCE COST

S.No.	Particulars	Year Ended 31-03-2015 ₹	Year Ended 31-03-2014 ₹
I	(a) Interest Expenses		
	- Interest on Term Loan	23,150,059	20,460,082
	- Interest on CC Loan	40,920,217	44,041,254
	- Loan processing Charges & Bank Charges	1,370,827	2,204,561
	(b) Other Borrowing costs	3,528,716	8,675,938
	Total Finance Cost	68,969,819	75,381,834



NOTES ON ACCOUNTS

25. Detailed information regarding quantitative particulars under part II of schedule III to the Companies Act, 2013:

i) Quantitative information with regard to

Particulars	Year ended 31-03-2015		Year ended 31-03-2014	
	Quantity (MT)	Amount (Rs.) in Lakhs	Quantity (MT)	Amount (Rs.) in Lakhs
a) Turnover				
a. Plastics	8862.00	9258.52	8756.00	9280.58
b. Textiles	1506.00	3213.57	1409.33	2996.73
b) Details of Raw Material consumed				
a. Plastics Granules	8978.00	7979.67	8768.00	8067.15
b. Cotton	1506.00	1762.56	1458.00	2157.91
c) Capacity & Production				
i) Installed Capacity				
a. Plastics	10400	Nil	10400	Nil
b. Textiles	2600	Nil	2600	Nil
ii) Actual Production				
a. Plastics	8924	Nil	8680	Nil
b. Textiles	1502	Nil	1503	Nil

26. Details of Deferred Tax Liability as on 31-03-2015 on account of timing difference is as under:

Deferred Tax Liabilities	As on 31-03-2015 (In Rupees)	As on 31-03-2014 (In Rupees)
Opening Balance	4,39,42,056	4,01,78,321
Add: Adjustment for timing difference of Depreciation as per Companies Act, and Income Tax Act,	(27,41,733)	37,63,735
Closing Balance	4,12,00,324	4,39,42,056

**27. 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	CFO & 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	2014-15 (In Rupees)	2013-14 (In Rupees)
S. Vishnu Vardhan Reddy	Managing Director	Remuneration	1,20,000	1,20,000
S. Rajitha Reddy	CFO & Whole Time Director	Remuneration	2,40,000	Nil

28. FOREIGN EXCHANGE INFLOW AND OUTFLOW:

Particulars	Year 2014 - 15	Year 2013 - 14
	In Rupees	In Rupees
OUTFLOW On Account of Advance for Raw Material & Machinery	19,81,593	1,18,43,000
INFLOW On Export of Goods	84,18,242	NIL

29. Contingent Liabilities:**(In Rupees)**

		As at 31-03-2015	As at 31-03-2014
Letter of Credit	Inland LC	3,31,00,000	3,32,00,000

30. Earnings Per Share :

Particulars	2014 - 15	2013 - 14
Net profit after tax (Rs.)	29,61,811	(70,99,894)
Weighted Average Numbers of shares	75,36,700	7536700
Basic EPS (Rs.)	0.39	(0.94)
Diluted EPS (Rs.)	0.39	(0.94)



31. During the year the Company is liable to pay an amount of Rs. 25,98,127/- pertaining to 2000-2001, towards Sales Tax Deferment Amount, which was not paid by the Company as the Company was having refund to be received from the VAT Authorities. The Company has made an application to the sales tax authorities to adjust the refund against the sales tax liability for the current year. However, as on 31st March, 2015 this application is pending and no amount was adjusted against the liability.

32. Depreciation on Fixed Assets

A) In accordance with provisions of Schedule II of Companies Act, 2013, in case of fixed assets which have completed the useful life as at 31st March 2014, the carrying value as on 01.04.2014 amounting to Rs 1,10,71,339/- has been recognized in the Retained earnings as a transitional provision.

Further in case of assets acquired prior to 1st April, 2014, the carrying value of assets is depreciated over the remaining useful life as specified in the Companies Act, 2013 effective 1st April, 2014.

B) Consequent to the implementation of the provisions of the Schedule II of the Companies Act, 2013, the depreciation expenses for the year increased by Rs. 49,02,764/-

33. Segment Reporting:

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

34. Closing Balances of Debtors and Creditors are subject to Confirmation.

35. 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.

36. The Company has not appointed Company Secretary for the Financial Year 2014-15.

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/-
A. KRISHNA RAO
PARTNER
Membership No. 020085

Sd/-
S.VISHNUVARDHAN REDDY
MANAGING DIRECTOR

Sd/-
S. RAJITA REDDY
CFO & WHOLE TIME DIRECTOR

PLACE : HYDERABAD
DATE : 30-05-2015



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 30th Annual general meeting of the company, to be held on the Tuesday, 29th Day of September 2015, at 2.00 p.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 2015 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 until the conclusion of 31st Annual General Meeting to be held in the year 2016 and fix their remuneration

Signed this day of 2015.

Signature of Shareholder

Signature of Proxy holder (s)

Affix
Revenue
Stamp

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.

30th Annual General Meeting – Tuesday – 29th September 2015

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 30th Annual General Meeting of the Company to be held on Tuesday, September 29, 2015 at 2.00 p.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.

30th Annual Report 2014 - 2015



**PRINTED MATTER
BOOK - POST**

If undelivered Please return to :



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