

Admn. Office : 8-2-334/18, 3rd Floor,
Road No. 3, Banjara Hills,
Hyderabad-500 034.
Tel : 23545939, 23543580 Fax : 23544909
CIN No. : L25209TG1984PLC005048



Date: 05-09-2022

To,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Sub: Annual Report for the Financial Year 2021-2022
Ref: Salguti Industries Limited (Scrip Code: 526554)

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2021-2022. The said Annual Report has also been uploaded on the Company's website at www.salguti.com.

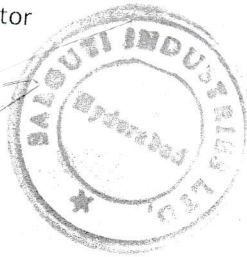
This if for your Information and Records

Thanking you.

For SALGUTI INDUSTRIES LIMITED

Rajitha Reddy Salguti
Whole-Time Director
(DIN: 00051603)

Encl: as Above



**37th Annual Report
2021-2022**

SALGUTI INDUSTRIES LIMITED

CORPORATE INFORMATION

<i>Board of Directors</i>	1	Sri. S. Vishnu Vardhan Reddy	:	<i>Managing Director (DIN : 00051641)</i>
	2	Smt. S. Rajita Reddy	:	<i>Whole-Time Director (DIN : 00051603) cum CFO</i>
	3	Sri. Draksharam Nagaraj	:	<i>Independent Director (DIN : 02306564)</i>
	4	Smt. Indira Reddy Kuknoor	:	<i>Independent Director (DIN : 02435247)</i>
	5	Sri. Lakshmikar Reddy Mundla	:	<i>Independent Director (DIN : 00493922)</i>
	6	Mrs. Rashi Pathak	:	<i>Company Secretary</i>
<i>Address</i>		<u>Regd. Office</u>		<u>Factory (Plastic)</u>
		# 1-2-288/6/4, Domalguda, Hyderabad –500029 Phone:040-23545939, Fax: 040-23544909		<i>Factory (Plastics) – Unit – I</i> Plot No. 154/A2, Sri Venkateswara Indl. Estate, Bollaram, Medak Dist. <i>Factory (Plastics) – Unit - II</i> Survey No. 548/A, Mudireddypalli Village, Balanagar Mandal, Mahaboobnagar Dist.
<i>Website</i>		www.salguti.com		
<i>Bankers</i>		1. Union Bank of India 2. Bank of Baroda 3. Punjab national Bank		
<i>Statutory Auditors</i>		M/s P C N & Associates., Chartered Accountants Plot No. 12, “N Heights” Software Unit Layout, Cyberabad Hyderabad – 500 081		
<i>Share Transfer Agents</i>		M/s. Aarthi Consultants Pvt. Ltd. 1-2-285, Domalguda, Hyderabad-29. Tel: (040) 27642217 / 27638111 Fax: (040) 27632184 Email: info@arthiconsultants.com		
<i>Listed on</i>		<i>BSE Limited (BSE), Mumbai</i>		
<i>CIN</i>		<i>L25209TG1984PLC005048</i>		

NOTICE

Notice is hereby given that the 37th Annual General Meeting of M/s. **Salguti Industries Limited** will be held on Friday, the 30th day of September, 2022 at 12.30 P.M through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Financial Statements of the Company for the year ended 31st March, 2022 including audited Balance Sheet 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. **APPOINTMENT OF M/S. P MURALI & CO., CHARTERED ACCOUNTANTS (FIRM REG. NO. 007257S) CHARTERED ACCOUNTANTS, HYDERABAD AS STATUTORY AUDITORS OF THE COMPANY:**

(To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution)

“**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, pursuant to the recommendations of the Audit committee, M/s. P Murali & Co., Chartered Accountants (Firm Reg. No. 007257S) be and is hereby appointed as Statutory Auditors of the company in place of the retiring Auditors M/s. P C N & Associates., Chartered Accountants (Firm Registration No. 016016S) to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 42nd Annual General Meeting to be held in the year 2027 at such remuneration and out of pocket expenses as may be decided by the Board of Directors of the Company.”

Place: Hyderabad

Date: 03.09.2022

By Order of the Board of Directors

Salguti Industries Limited

Sd/-

S. Vishnu Vardhan Reddy

Managing Director

DIN: 00051641

NOTES:

1. In view of the COVID-19 Pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 02/2022 dated May, 05, 2022 read with Circular No. 02/2021 dated January 13, 2021, Circular No. 14/2021, Circular No. 14/2020 dated April, 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 read with Circular No SEBI/HO/CFD/CMD1/CIR/F/2020/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD1/CIR/F/2020/79 dated May 12, 2020 issued by Securities & Exchange Board of India (SEBI), members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM 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. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the Scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.salguti.com/>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection to the Members electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 30-09-2022. Members seeking to inspect such documents can send an email to cssalgutiindustries@gmail.com.
9. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September 2022 to Friday, 30th September 2022 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
11. Shareholders holding shares in physical form may write to the company/company's R&T agents for any change in their address and bank mandates; Shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.
12. 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 the Company/Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.).
13. In consonance with the company's sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Aarthi Consultants Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.
14. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LADNRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
15. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
16. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission/transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

17. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 & Circular issued thereon, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
19. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 10.00 a.m. on 26th September 2022 and will end at 5.00 p.m. on 29th September 2022. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The results shall be declared within 48 Hours from the Conclusion of the Annual General Meeting. CS Putcha Sarada, Practising Company Secretary is appointed as Scrutinizer and the results along with the Scrutinizer's Report shall also be placed on the website of the Company.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) The shareholders should log on to the e-voting website www.evotingindia.com.
- (v) Click on "Shareholders" module.
- (vi) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login – My easi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

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

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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 (v).

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant **SALGUTI INDUSTRIES LIMITED** on which you choose to vote.
- (xiv) 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.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cssalgutiindustries@gmail.com or aarthiconsultants@gmail.com.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cssalgutiindustries@gmail.com or aarthiconsultants@gmail.com.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE ANNUAL GENERAL MEETING (AGM) THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cssalgutiindustries@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cssalgutiindustries@gmail.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE ANNUAL GENERAL MEETING (AGM) ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through

VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

(xxi) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cssalgotiindustries@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai -400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED
Brief Details of Directors seeking re-appointment at this Annual General Meeting

I	Particulars	Smt. S Rajitha Reddy (DIN: 00051603)
	Age	60 Years
	Qualification	B. Com, Chartered Accountant
	Date of Original Appointment	20-10-1984
	No of Shares held (as on 31-03-2021)	1032675
	Experience (including experience in Specific Functional Area)	32 Years in Company Matters
	Relationships with other Directors/KMP inter-se	Spouse of Sri.Vishnuvardhan Reddy Salguti (Managing Director)
	No of Board Meetings/Committee Meetings attended during 2020-2021	As detailed in Corporate Governance Report
	Directorships in other Companies	1.Vish Raj Packaging Private Limited 2.Salguti Builders Private Limited 3.Salguti Finance and Investments Private Limited
	Memberships/Chairmanships on other Boards	Nil
	Remuneration Paid sought to be paid and the Remuneration last drawn by such person	As detailed in Corporate Governance Report

DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting the 37th Annual Report together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the financial year ended 31st March, 2022.


FINANCIAL RESULTS REVIEW AND PROSPECTS

Your company has recorded a Total Income of Rs. 11188.21/- lakhs for the year ended 31st March, 2022 against total income of Rs. 7988.69 Lakhs last year. The company has recorded a Net Profit of Rs.10.15 Lakhs for the current period against Net Profit of Rs. 15.20 Lakhs for the last year.

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

Particulars	(Rupees in Lakhs)	
	2021- 22	2020- 21
Total Turnover	11188.21	7988.69
Expenditure including finance cost	11178.06	7973.49
Profit before Tax	10.15	15.20
Less: Provision for deferred Income Tax	26.20	3.45
Net Profit (after deferred tax)	-16.05	11.74
Total Comprehensive Income after Tax	-16.05	11.74

THE COMPANY'S PRODUCTS / SERVICES

-  **Plastic Division:** Our Company is Manufacturing HDPE/PP Woven sacks for packing of Fertilizers & Cement.

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

-
- Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
-
- Geographical Disadvantages.
-
- 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 available on the Company website (<https://www.salguti.com/>)

DEMAT SUSPENSE ACCOUNT UNCLAIMED SHARES

As on 31st March 2022, 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 the provisions of SEBI (LODR) Regulations 2015. 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

1. Conservation of Energy:

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

- 2.** (i) The steps taken by the company for utilizing the 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. Nil
- (d) Foreign exchange out go: Rs. Nil

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 C N & Associates (Formerly known as Chandra Babu Naidu & Co.,) Chartered Accountants, were appointed as Statutory Auditor of the Company in 32nd Annual General Meeting held in 2017 for Five Consecutive years and shall hold the office until the conclusion of this 37th Annual General Meeting to be held in 2022 as per section 139 of Companies Act, 2013.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their Report.

Further upon the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. P. Murali & Co., Chartered Accountants, Hyderabad, (Firm Registration No. 007257S) has been proposed to be appointed as Statutory Auditors of the Company in place of M/s. P C N & Associates, Chartered Accountants, Hyderabad (Firm Registration No. 016016S) for a term of five consecutive years commencing from the Company's Financial Year ending March 31, 2022 to hold office from the conclusion of this 37th Annual General Meeting of the Company till the conclusion of the 42nd Annual General Meeting to be held in the Year 2027 on such remuneration plus service tax, out of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors.

BOARD AND COMMITTEES PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and as per the provisions of SEBI (LODR) Regulations 2015, 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 5 (Five) Times on the following dates during the financial year 2021-2022.

16-04-2021, 30-06-2021, 14-08-2021, 11-11-2021, 11-02-2022

DIRECTORS AND INDEPENDENT DIRECTORS

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 as per the provisions of SEBI (LODR) Regulations 2015.

DIRECTORS REMUNERATION DETAILS

Remuneration details of the Executive Director(s) are mentioned in this Annual Report at the relevant place. During the period under review. Mrs. Rajitha Reddy has not taken any remuneration even though she is eligible for the same and the resolution was passed in the previous Annual General Meetings.

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, 2022 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, 2022, the Company does not have any material listed/unlisted subsidiary companies as defined as per the provisions of SEBI (LODR) Regulations 2015. 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 Smt. Indira Reddy Kuknoor, Chairman of Audit Committee through email or by correspondence through post.

Familiarisation programme for Independent Directors

Pursuant to the provisions of SEBI (LODR) Regulations 2015, 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.

Material changes and commitments affecting the financial position.

During the period under review, there are no major material changes to be reported, which affect the financial position

Company's policy on director's appointment & remuneration.

The company has a policy on Directors' appointment & Remuneration and the same will be implemented whenever the appointments take place.

Particulars of loans, Guarantees or investments.

During the period under review, the loans / Guarantees / Investments taken / provided by the Company are detailed in the Financial Statements.

Particulars of contract or arrangement with related party

During the period under review, there were no contract or arrangement with related party except as provided in the Auditor's Report.

Annual evaluation of its own & Board committee's performance.

The company has a policy on Board & Committees' evolution & performance and the same is being reviewed on quarterly basis.

Implementation of risk management policy.

The company has a policy on risk management and the same is implemented by the Company to mitigate the risk in the business.

Policy on CSR initiatives

The Company need not have to make arrangements for the CSR as the same is not applicable to the Company

Post Balance Sheet events

There are no material events after the 31st March 2022 till the signing of this Annual Report, which has significant impact on the business of the Company.

Disclosure about cost Audit

The requirement of maintaining the cost Audit Records are not applicable to the Company.

Disclosure about ESOP and Sweat Equity Share

There are securities issued on ESOP basis / Sweat Equity.

Key Managerial Personnel (Chief Financial Officer and Company Secretary):

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

Mrs. Rashi Pathak joined w.e.f 01-07-2021 is the Whole Time Company Secretary and Compliance Officer of the Company.

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 from CS Sarada Putcha, Company Secretary in Practice 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.

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

There are no applications made or any proceeding pending to report under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

During the year there is no one time settlements done with the Banks to report.

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, Stock Exchange(s) 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 **SALGUTI INDUSTRIES LIMITED**

Place: Hyderabad
Date: 03-09-2022

Sd/-
S.Vishnu Vardhan Reddy
Managing Director
DIN: 00051641

Sd/-
S.Rajitha Reddy
Whole-Time Director
DIN: 00051603

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **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 my 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 authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2022 according to the applicable provisions of:

- i. 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;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- vi. Other laws applicable to the Company as per the representations made by the Management.

I 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. SEBI (LODR) Regulations 2015.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, I 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. I further report that as per the explanations given to us and the representations made by the Management and relied upon by me 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.

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

Date: 02-09-2022

Place: Hyderabad

Sd/-

CS Putcha Sarada

Company Secretary in Practice

M.No: A21717; CP: 8735

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

To,
The Members,
Salguti Industries Limited

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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. My 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. The Company has not provided us the details regarding the Labour Laws Compliances and I could not give our comment on that.
8. The Company has a Full time Company Secretary & CFO as required under the Provisions of Companies Act 2013 and Applicable SEBI Regulations.
9. I was informed by the Management of the Company that the Company do not have any Subsidiaries / Associate Companies.

Date: 02-09-2022
Place: Hyderabad

Sd/-
CS Putcha Sarada
Company Secretary in Practice
M.No: A21717; CP: 8735

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

For the financial year ended March 31, 2022

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Name of the Company: Salguti Industries Limited (CIN: L25209TG1984PLC005048)

Based on the disclosures/declarations received from Directors appointed on the Board of the Company, we hereby certify that as on March 31, 2022, none of the Directors on the Board of Company have been debarred or disqualified from being appointed or continuing as Director of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Date: 03-09-2022

Place: Hyderabad

Sd/-

CS Putcha Sarada

Company Secretary in Practice

M.No: A21717; CP: 8735

UDIN: A021717D000906315

INDEPENDENT AUDIT REPORT

To the Members of
M/s SALGUTI INDUSTRIES LIMITED
Report on the IND AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **M/s. SALGUTI INDUSTRIES LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2022, and Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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 31 march 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the IND AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the IND AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the IND AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued thereunder. This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the IND AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the IND AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the IND AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ('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", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we 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 purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued there under.
 - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. The Company has not paid managerial remuneration during the year.
 - h. With respect to the 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.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

**For P C N & Associates,
Chartered Accountants
FRN: 016016S
Sd/-
K. Gopala Krishna
Partner
M No: 203605
UDIN: 22203605AJPQQW4392**

**Place: Hyderabad
Date: 25.05.2022**

Annexure A to the Auditor's Report

Annexure referred to in Independent Auditor's Report to the Members of M/s SALGUTI INDUSTRIES LIMITED on the Ind AS financial statements for the year ended March 31, 2022, we report that:

- i. (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(ii) The Company does not have any intangible Asset.
(b) As explained to us and in our opinion, Property, Plant & Equipment have been physically verified by the management at regular intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) Based on our examination of the property tax receipt, title deeds provided to us, we report that, the title deeds in respect of all immovable properties disclosed in the financial statements under the head Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
(d) The Company has not revalued any of its Property, Plant and Equipment during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- ii. (a) According to the information given to us, inventories were physically verified during the year by the Management at reasonable intervals. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of Rs. 5crore, in aggregate from the banks on the basis of security of current assets. In our opinion According to the information given to us the quarterly statements filed by the company with such banks are in agreement with the books of account of the company of the respective quarters.
- iii. The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties.

(a) The Company has not provided any loans or provided advances in the nature loans, or stood guarantee, or provided security to any other entity

- iv. In our opinion and according to the information and explanations given to us, the Company has not provided any loans, investments, guarantees and securities in regards to section 185 and 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of The Companies Act, 2013.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Customs Duty, Income-tax, Goods and Services Tax and other statutory dues.

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax and any other major statutory dues which have not been deposited on account of any disputes except the following.

Name of the Statute	Nature of due	Forum where dispute is pending	Assessment Year to which it relates	Outstanding Demand amount in Lakhs
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2014-15	2,65.95

- viii. According to the information and explanations given to us and based on the records of the company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) In our opinion, and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions.

b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared wilful defaulter by any bank or financial institution or others.

c) According to the information and explanations given to us and on the basis of our examination of the books of the company, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were raised.

d) According to the information and explanations given to us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e)The company does not have any subsidiaries ,joint ventures or associate companies and hence, reporting under clause 3 (ix)(e) of the Order is not applicable.

f) The company does not have any subsidiaries, joint ventures or associate companies and hence, reporting under clause 3 (ix)(f) of the Order is not applicable.

x. a) The Company has not issued any of its securities (including debt instruments) during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures(fully or partially or optionally convertible) during the year.

xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. The Company has no transactions with related parties during the year to which the provisions of section 188 applies and the company has complied with the provisions of sec 177 of the act. However, the details of related party transactions have been disclosed in the IND AS financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.

xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures

- xv. According to information and explanations given to us and to the best of our knowledge and belief the company has not entered into any non-cash transactions with directors or persons connected with the directors.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion, there is no Core Investment Companies ("CIC"s) in the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) that are registered with the Reserve Bank of India ("RBI")
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of Directions and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report indicating that company is not capable of meeting its liabilities existing as at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. In our opinion and according to the information, the Company is not covered under the provisions of Section 135 of the Act.

**For P C N & Associates,
Chartered Accountants
FRN: 016016S
Sd/-
K. Gopala Krishna
Partner
M No: 203605
UDIN: 22203605AJPQQW4392**

**Place: Hyderabad
Date: 25.05.2022**

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **M/s SALGUTI INDUSTRIES LIMITED** ('the Company') as of March 31, 2022 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS financial statements for external purposes in accordance with generally accepted accounting principles including Indian Accounting Standards. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the IND AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P C N & Associates,

Chartered Accountants

FRN: 016016S

Sd/-

K. Gopala Krishna

Partner

M No: 203605

UDIN: 22203605AJPQQW4392

Place: Hyderabad

Date: 25-05-2022

Balance Sheet as at 31st March, 2022

(All the amounts are Rs in lakhs except "No of Shares", "F.Vof Equity share", & "EPS ")

PARTICULARS	Note No.	As at	As at
		31 March 2022	31 March 2021
		Amount in Lakhs	Amount in Lakhs
ASSETS			
Non - Current Assets			
Property, Plant, Equipment	3	739.65	859.70
Capital WIP		-	-
Financial Assets			
Investments	4	3.35	3.22
Other Financial Assets	5	309.86	302.68
Deferred tax Asset (Net)			
Other non current assets	6	29.06	27.76
Total Non-Current Assets		1,081.90	1,193.35
Current Assets			
Inventories	7	2,588.41	2,450.60
Financial Assets			
Trade receivables	8	2,343.27	1,628.05
Cash and cash equivalents	9	5.09	5.67
Current Tax Assets (Net)	10	88.75	118.71
Other current assets	11	247.96	716.16
Total Current Assets		5,273.48	4,920.19
Total Assets		6,355.39	6,112.54
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	753.67	753.67
Other equity	13	146.97	163.03
Total Equity		900.64	916.70
Non- Current liabilities			
Financial liabilities			
(i) Borrowings	14	2,092.16	2,239.40
Deferred tax liabilities (Net)	15	70.91	66.76
Total Non- Current liabilities		2,163.06	2,306.15
Current liabilities			
Financial liabilities			
Borrowings	16	1,661.05	1,619.88
Trade Payables	17		
Dues of small enterprises and micro enterprises		49.76	26.93
Dues of creditors other than small enterprises and micro enterprises		1,480.64	1,162.93
Other Financial Liabilities		-	-
Other Liabilities	18	76.50	76.80
Provisions	19	1.66	0.78
Current Tax Liabilities (net)	20	22.05	2.37
Total Current liabilities		3,291.68	2,889.69
Total Equity and Liabilities		6,355.39	6,112.54

Summary of significant Accounting Policies 2

The accompanying Notes are an Integral Part of the Financial Statements
AS PER OUR REPORT OF EVENT DATE

For P C N & Associates
Chartered Accountants
Firm Registration Number : 016016S

For and behalf of the Board of Directors
Salguti Industries Limited

K Gopala Krishna
Partner
Membership No.:203605
UDIN: 22203605AJPQQW4392

S.Vishnu Vardhan reddy S.Rajitha Reddy
Managing Director CFO & Whole Time Director
DIN:00051641 DIN:00051643

Place: Hyderabad
Date: 25-05-2022

Rashi Pathak
Company Secretary

SALGUTI INDUSTRIES LIMITED			
1-2-288/6/4, Domalguda, Banjara Hills, Hyderabad - 500 029.			
CIN:-L25209TG1984PLC005048			
Statement of Profit and Loss for the Period ended 31st March 2022			
(All the amounts are in lakhs except "No of Shares","F.Vof Equity share", & "EPS ")			
Particulars	Note	For the Period	For the Period
		Ended	Ended
		31 March 2022	31 March 2021
		Amount in Lakhs	Amount in Lakhs
I. Revenue from operations	21	11,143.98	7,959.16
II. Other Income	22	44.23	29.53
III. Total Income (I+II)		11,188.21	7,988.69
IV. Expenses			
Cost of Material Consumed	23	9,056.50	6,440.97
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	14.47	(425.49)
Other Operating Expenses	25	853.83	742.06
Employee Benefit Expenses	26	609.83	590.36
Finance costs	27	308.38	384.75
Other Expenses	28	142.50	56.25
Depreciation / Amortisation Expense	3	192.53	184.59
Total Expenses (IV)		11,178.06	7,973.49
V. Profit/(loss) Before Exceptional Item and Tax(III-IV)		10.15	15.20
VI. Exceptional Items		-	-
VII. Profit/(loss) Before Tax (V-VI)		10.15	15.20
VIII. Tax Expense		26.20	3.46
Current Tax		22.05	2.37
MAT credit entitlement			(2.37)
Deferred Tax	15	4.15	3.46
XI. Profit for the period from Continuing operations (VII-VIII)		(16.05)	11.74
X. Profit/(loss) from discontinued operations		-	-
XI. Tax expense of Discontinued operations		-	-
XII. Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII. Profit/(loss) for the period (IX+XII)		(16.05)	11.74
XIV. Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss		-	-
(i) Income tax related to items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		-	-
XV. Total Comprehensive Income for the period (XIII+XIV)Comprising Profit (Loss) and Other comprehensive Income for the period		(16.05)	11.74
XVI. Earning per equity share for Discontinuing operation			
(1) Basic		-	-
(2) Diluted		-	-
XVII. Earning per equity share for continuing operation			
(1) Basic		(0.21)	0.16
(2) Diluted		(0.21)	0.16
XVIII. Earning per equity share for (Discontinued and continuing Operataion)			
(1) Basic		(0.21)	0.16
(2) Diluted		(0.21)	0.16

Summary of significant Accounting Policies
The accompanying notes are an integral part of the financial statements
As per our report of even date attached

For P C N & Associates
Chartered Accountants
Firm Registration Number : 016016S

For and behalf of the Board of Directors
Salguti Industries Limited

K Gopala Krishna
Partner
Membership No.:203605
UDIN: 22203605AJPQQW4392

S.Vishnu Vardhan reddy
Managing Director
DIN:00051641

S.Rajitha Reddy
CFO & Whole Time Director
DIN:00051643

Place: Hyderabad
Date: 25-05-2022

Rashi Pathak
Company Secretary

SALGUTI INDUSTRIES LIMITED		
CIN:-L25209TG1984PLC005048		
Statement of Cash flow for the period ended 31st Mar 2022		
(All the amounts are in lakhs except "No of Shares", "F.Vof Equity share", & "EPS ")		
Particulars	For the year ended 2022	For the year ended 2021
A. Cash flow from operating activities		
Profit / (Loss) before tax	10.15	15.20
in) operating activities.		
Depreciation on property, plant and equipment	192.53	184.59
(Gain)/loss on sale of property, plant and equipment	-	-
Excess Loss	-	-
Interest income	(37.13)	(27.93)
Unamortised Expenses Written Off	-	-
Finance costs (including fair value change in financial instrumen	308.38	401.32
Share of profit of an associate or a joint venture		
Operating Profit before working capital changes	473.93	573.19
Working capital adjustments		
Decrease/ (increase) in Inventory	(137.82)	(585.20)
Increase/ (decrease) in Trade Payables	340.55	(297.62)
(Increase) / decrease in Trade Receivables	(715.22)	788.62
Decrease/ (increase) in Current assets	468.20	(60.66)
Decrease/ (increase) in other Non-Current assets	(1.30)	(5.74)
Decrease/ (increase) in Current Tax Assets	29.97	(55.99)
(Decrease)/ increase in Current Tax liabilities	19.68	2.37
Increase/ (decrease) in Short Term Provisions	0.88	(0.63)
Increase/ (decrease) Other Current Liabilities	(0.30)	367.60
Increase/ (decrease) in Short term borrowings	41.17	(248.68)
Sub Total	519.76	477.26
Income tax paid	(22.05)	-
Net cash flows from operating activities (A)	497.70	477.26
B. Cash flow from Investing activities		
Payment for purchase and construction of property, plant and equipment	(72.48)	(117.41)
Proceeds from sale of property, plant and equipment		
Proceeds from sale of financial instruments	-	-
Interest received	37.13	27.93
Investments	(0.13)	(0.12)
Refund/ (Investment) in bank deposits for more than 3 months	-	-
Loans given	(7.18)	(8.71)
Repayment of loans given	-	-
Net cash flows from/ (used in) investing activities (B)	(42.66)	(98.31)
C. Cash flow from financing activities		
Proceeds from issue of share capital		
Proceeds from long term loans and borrowings	(147.24)	12.20
Interest payment	(308.38)	(401.32)
Net Cash flows from/ (used in) Financing activities (C)	(455.62)	(389.12)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(0.58)	(10.16)
Opening Balance of Cash	5.67	15.83
Closing Balance	5.09	5.67
Components of Cash and Cash Equivalents		
Cash on Hand	1.48	3.83
Balances with bank in current account	3.61	1.84
Balance at the end of the year	5.09	5.67
Summary of significant Accounting Policies		
The accompanying notes are an integral part of the financial statements		
As per our report of even date attached		
For P C N & Associates Chartered Accountants Firm Registration Number : 016016S	For and behalf of the Board of Directors Salguti Industries Limited	
K Gopala Krishna Partner Membership No.:203605 UDIN: 22203605AJPQQW4392	S.Vishnu Vardhan reddy Managing Director DIN:00051641	S.Rajitha Reddy CFO & Whole Time Director DIN:00051643
Place: Hyderabad Date: 25-05-2022	Rashi Pathak Company Secretary	

3)Notes to financial statements for the year ended March 31, 2022

(All amount are in Lakhs)

The changes in the carrying value of property, plant and equipment are as follows

Property, Plant and Equipment	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Computers	Office equipment	Electrical Installments	Total
Cost									
As at March 31, 2020	2.03	387.99	2,690.73	4.93	35.57	26.48	1.05	82.81	3,231.59
Additions		8.58	108.83						117.41
Disposals									
As at March 31, 2021	2.03	396.57	2,799.56	4.93	35.57	26.48	1.05	82.81	3,349.00
Additions		11.43	60.57	0.10			0.38		72.48
Disposals									-
As at March 31, 2022	2.03	408.00	2,860.13	5.03	35.57	26.48	1.43	82.81	3,421.49
Depreciation									
As at March 31, 2020	-	145.18	2,009.62	4.93	35.57	26.22	0.39	82.81	2,304.72
Charge for the period		12.30	172.09	-	-	-	0.20	-	184.59
Disposals									
As at March 31, 2021	-	157.48	2,181.71	4.93	35.57	26.22	0.59	82.81	2,489.31
Charge for the period		12.59	179.71	0.00	-	-	0.23	-	192.53
Disposals									-
As at March 31, 2022	-	170.07	2,361.43	4.93	35.57	26.22	0.82	82.81	2,681.84
Net Block									
As at March 31, 2022	2.03	237.94	498.71	0.10	-	0.26	0.61	-	739.65
As at March 31, 2021	2.03	239.09	617.85	-	-	0.26	0.46	-	859.70

SALGUTI INDUSTRIES LIMITED

Notes to Financial Statement as at 31st Mar, 2022

(All the amounts are in lakhs except "No of Shares", "F.Vof Equity share", & "EPS ")

4. Investments		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
Baroda Pioneer Mutual Fund	3.35	3.22
Total Investments	3.35	3.22
5. Other Financial Assets		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
Deposits (Including Security deposits)		
Electricity Department	131.49	131.49
EMD	55.75	54.75
Others	0.77	0.77
Bank deposits with more than 12 months maturity	121.85	115.67
Total Other Financial Assets	309.86	302.68
6. Other Non-Current Assets		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
Others :		
Gratuity Fund	29.06	27.76
Total Other Non-Current Assets	29.06	27.76
7. Inventories		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
Raw materials	718.93	566.64
Work-in-progress	1,808.48	1,790.16
Finished goods	61.00	93.79
Total Inventories	2,588.41	2,450.60
8. Trade Receivables		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
Trade Receivables considered good - Unsecured;	2,343.27	1,628.05
Less: Allowance for expected credit loss	-	-
Total Trade Receivables	2,343.27	1,628.05
Cash and Cash Equivalents		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
9. Cash & Cash Equivalents :		
Balances with Banks		
In Current Accounts	3.61	1.84
Cash on hand	1.48	3.83
Total Cash and Cash Equivalents	5.09	5.67
10. Current Tax Assets		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
a) GST Input	30.30	70.34
b) TCS Receivable	5.59	3.44
c) TDS Receivable	37.33	29.37
d) Interest receivable	15.52	15.57
Total Current Tax Assets	88.75	118.71
11. Other Current Assets		
Particulars	As at	As at
	31st Mar 2022	31st Mar 2021
	Amount	Amount
a) Advances to Employees	27.68	9.80
b) Advances to Suppliers	6.00	336.31
c) Other Advances	10.66	9.02
d) MAT Credit	53.63	53.63
e) Other receivable	145.26	306.89
f) Prepaid Expense	4.72	-
g) Others	-	0.50
Total Other Current Assets	247.96	716.16

12. Share Capital:

Particulars	As at	As at
	31-Mar-22	31-Mar-21
Authorised Capital		
1,20,00,000 (March 31, 2017: 1,20,00,000) Equity shares of Rs. 10/- each	1,200	1,200
Issued, subscribed & fully paid up Capital		
75,36,700 (March 31, 2017: 75,36,700) Equity shares of Rs. 10/- each	753.67	753.67
Total issued, subscribed and fully paid-up share capital	753.67	753.67

a. Terms/ rights attached to the equity shares:

- i) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each, holder of equity shares is entitled to one vote per share.
- ii) The Company did not declare any dividend during the accounting period under reporting.
- iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.
- iv) No shares have been issued for consideration other than cash during the immediately preceding five years from the end of the reporting period.

b. The company has not declared any dividend during the year

c. Reconciliation of equity shares outstanding as at the beginning and at the end of the reporting Period:

Particulars	As at		As at	
	31-Mar-22		31-Mar-21	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
Equity shares				
Ordinary equity shares				
Shares at the beginning of the year	75,36,700	753.67	75,36,700	753.67
Issued during the year	-	-	-	-
Shares outstanding as at end of the period	75,36,700	753.67	75,36,700	753.67

(1) As at 31-03-2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
753.67	-	753.67	-	753.67

(2) As at 31-03-2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
753.67	-	753.67	-	753.67

d. Shares held by promoters at the end of the year

Promoter name	Shares held by promoters at the end of the year		% Change during the year
	No. of Shares	% of total shares	
SUDHEER REDDY MALLAPALLY	27,500	0.36%	-
INDIRA REDDY KUKNOOR	30,500	0.40%	-
RAJITHA REDDY SALGUTI	10,32,675	13.70%	-
VISHNU VARDHAN REDDY SALGUTI	12,59,900	16.72%	-
RAGHUVARDHAN REDDY MASTIPOOR	12,000	0.16%	-
HANMANTH REDDY GOUNI	34,250	0.45%	-
VENKATESHWARA REDDY SALUGUTI	24,000	0.32%	-
GOPALREDDY SALGUTI	1,71,800	2.28%	-
PRAJWAL R SALGUTI	7,78,500	10.33%	-
SALGUTI FINANCE & INVESTMENTS (P) LTD.,	14,54,375	19.30%	-
SALGUTI BUILDERS PVT LTD.,	2,27,500	3.02%	-
MUNDLA LAKSHMIKAR REDDY	1,600	0.02%	-
Total	50,54,600	67.07%	

e. Details of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder	As at		As at	
	31-Mar-22		31-Mar-21	
	No. of Shares	% of holding	No. of Shares	% of holding
Ordinary equity shares				
1. S. Rajitha Reddy	10,32,675	13.70%	10,32,675	13.70%
2. Salguti Finance And Investments	14,54,375	19.30%	14,54,375	19.30%
3. S. Vishnuvardhan Reddy	12,59,900	16.72%	12,59,900	16.72%
4. S.Prajwal Reddy	7,78,500	10.33%	7,78,500	10.33%

14. Long -Term Borrowings	As at	As at
Particulars	31st Mar 2022	31st Mar 2021
	Amount	Amount
i) From Banks		
COVID LOAN-II (AB)	119.16	143.00
COVID LOAN-AB-III	71.00	-
OBC COVID LOAN	-	55.22
OBC COVID LOAN II	88.57	-
OBC COVID 19 LOAN	56.98	-
OBC COVID FITL	-	115.00
BOB COVID LOAN	-	14.24
Vehicle Loan	4.45	9.08
Less: Current Maturities	95.55	114.53
	244.61	268.01
ii) From other parties		
Loans from related parties	741.24	683.20
Loans from Others	1,106.31	1,288.19
	1,847.55	1,971.38
Total Long -Term Borrowings	2,092.16	2,239.40
15. Deferred Tax Liability /(Asset)(Net)	As at	As at
Particulars	31st Mar 2022	31st Mar 2021
	Amount	Amount
Opening Deferred Tax liability	66.76	63.30
Add/Less: Deferred Tax Liability/(Asset) for the year (Due to SLM and WDV Difference)	4.15	3.46
Total Deferred Tax Liability/(Asset) - (Net)	70.91	66.76
16. Short Term Borrowings	As at	As at
Particulars	31st Mar 2022	31st Mar 2021
	Amount	Amount
Loans repayable on Demand		
From Banks		
Working capital loans		
Bank of baroda	65.88	70.89
Bank of baroda	173.65	152.66
Punjab national bank	606.03	597.12
Union bank of india cc-6362	719.94	684.68
Current Maturities of Long term Borrowings	95.55	114.53
Total Short Term Borrowings	1,661.05	1,619.88
Notes:		
1.Loans are Secured by way of First charge on Fixed assets/ inventory, receivables and other current assets of the company's Rajapur Unit/ HDPE division on pari passu basis with Andhra Bank and OBC. Second Charge on fixed assets of company's HDPE division (Bollarunnr Division) on pari passu basis with Andhra Bank and OBC. Primary Securiy by way of Hypothecation of stocks, Raw material,Plant and machinery(paripassu basis),Book-debts and entire Current Assets.		
2. Collateral Security: First exclusive Charge over exclusive equitable mortgage of the industrial plot no		
17. Trade Payables	As at	As at
Particulars	31st Mar 2022	31st Mar 2021
	Amount	Amount
Trade Payables		
Dues of small enterprises and micro enterprises	49.76	26.93
Dues of creditors other than small enterprises and	1,480.64	1,162.93
Total Trade Payables	1,530.41	1,189.86
18. Other Current Liabilities	As at	As at
Particulars	31st Mar 2022	31st Mar 2021
	Amount	Amount
Others		
Outsanding Expenses Payable	73.38	75.52
Audit Fees payable	1.18	1.18
Directors Remuneration Payable	0.10	0.10
TDS Payable	0.99	-
TCS Payable	0.40	-
GST Payable	0.46	-
Total Other Current Liabilities	76.50	76.80
19. Provisions	As at	As at
Particulars	31st Mar 2022	31st Mar 2021
	Amount	Amount
Provisions for Employee Benefits		
PF Payable	0.69	0.69
ESI Payable	0.16	-
Others	0.81	0.08
Total Provisions	1.66	0.78
20. Current Tax Liabilites	As at	As at
Particulars	31st Mar 2022	31st Mar 2021
	Amount	Amount
Provision For Income Tax	22.05	2.37
Total Current Tax Liabilites	22.05	2.37

SALGUTI INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENT AS AT 31MARCH 2022

(All the amounts are in lakhs except "No of Shares", "F.Vof Equity share", & "EPS ")

21. Revenue from operations

Particulars	For the period ended 31st Mar 2022	For the year ended 31st Mar 2021
	Amount	Amount
Sale of Products (HDPE/PP WOVEN SACKS/HDPE FABRIC/COTTON AND BLEND FABRIC)	11,121.09	7,952.95
Other Operating Income	22.88	6.21
Total Revenue from operations	11,143.98	7,959.16

22. Other Income

Particulars	For the period ended 31st Mar 2022	For the period ended 31st Mar 2021
	Amount	Amount
Interest Income	37.13	27.93
Other Income	7.10	1.60
Total Other Income	44.23	29.53

23. Cost of Material Consumed

Raw Materials consumption	For the period ended 31st Mar 2022	For the period ended 31st Mar 2021
	Amount	Amount
Opening Stock of Raw Materials	566.64	406.94
Add: Purchases During the year	9,208.79	6,600.68
Less: Closing Stock of Raw material	718.93	566.64
Total Cost of Material Consumed	9,056.50	6,440.97

**24. Changes in Inventories of Finished Goods,
Work-in-Progress and Stock-in-Trade**

Amount in Lakhs

Changes in inventory	For the period ended 31st Mar 2022	For the period ended 31st Mar 2021
	Amount	Amount
Finished Goods		
Finished goods at the beginning of the year	93.79	40.92
Less: Finished goods at the end of the year	61.00	93.79
Sub Total (A)	32.79	(52.87)
Work in Progress		
Work-in-progress at the beginning of the year	1,790.16	1,417.54
Less: Work-in-progress goods at the end of the year	1,808.48	1,790.16
Sub Total (B)	(18.32)	(372.62)
Increase or Decrease in Inventories - (A - B)	14.47	(425.49)

25. Other Manufacturing Expenses

Particulars	For the period ended 31st Mar 2022	For the period ended 31st Mar 2021
	Amount	Amount
a) Consumption of Stores & Spares	37.71	23.48
b) Power & Fuel	477.54	467.23
c) Foreign Exchange (Gain/Loss)	-	-
d) Repairs & Maintenance	58.31	45.02
e) Rates & Taxes	6.76	5.15
f) Transportation	136.95	104.47
g) Other Manufacturing Expenditure	136.56	96.72
Total Other Manufacturing Expenses	853.83	742.06

26. Employee Benefit Expenses

Particulars	For the period ended 31st Mar 2022	For the period ended 31st Mar 2021
	Amount	Amount
(a) Salaries & Wages	590.84	568.17
(b) Contribution to Provident & Other Funds	6.75	4.95
(c) Staff Welfare Expenses	12.24	17.25
Total Employee Benefit Expenses	609.83	590.36

27. Finance Costs

Particulars	For the period ended 31st Mar 2022	For the period ended 31st Mar 2021
	Amount	Amount
a) Interest Expenses		
- Interest on Term Loan	26.35	19.26
- Interest on Working Capital loans	149.41	196.73
- Interest on Vehicle Loan	1.69	-
- Loan Processing Charges	7.42	13.76
b) Other Borrowing costs	123.50	155.01
Total Finance Costs	308.38	384.75

28. Other Expenses

Particulars	For the period ended 31st Mar 2022	For the period ended 31st Mar 2021
	Amount	Amount
a) Communication Expenses	0.83	0.77
b) Business Promotion Expenses	16.35	10.78
c) Conveyance	4.92	4.51
d) Office Maintenance	0.19	0.31
e) Printing & Stationery Expenses	4.05	1.04
f) Security Charges	4.28	1.25
g) Managerial Remuneration	-	1.20
h) Consultancy & professional Charges	60.18	1.07
i) AGM Fees	-	0.10
j) General Expenses	5.67	6.16
k) Donation	0.40	2.00
l) Payment to auditors		
i) For Statutory Audit	1.18	1.18
ii) For Taxation	0.46	0.15
m) Inspection fee	6.98	5.64
n) Bank Charges	31.70	16.57
o) Insurance	4.54	1.74
p) Vehicle Maintenance	0.78	1.79
Total Other Expenses	142.50	56.25

For and behalf of the Board of Directors
Salguti Industries Limited

S.Vishnu Vardhan Reddy
Managing Director
DIN:00051641

S.Rajitha Reddy
CFO & Whole Time Director
DIN:00051643

SALGUTI INDUSTRIES LIMITED

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Significant Accounting Policies

1. CORPORATE INFORMATION

M/s. Salguti Industries Limited incorporated on 20th October 1984 as a Private Limited Company and converted in to Public Company on 17th August 1992. It has listed in Bombay Stock Exchange (BSE) in the year 2000. SIL (M/s. 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 now. SIL has diversified in to Textiles manufacturing industry in the year of 2006. SIL (M/s. Salguti Industries Limited) has started the manufacturing unit in Plastic Division in small scale in the year 1986.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

Note No. 2 Significant Accounting Policies to the Standalone Financial Statements .

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation, measurement and significant accounting policies

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees, which is also its functional currency.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Historical Cost Convention

SALGUTI INDUSTRIES LIMITED

FY 2021-22

The financial statements have been prepared on a historical cost basis wherever applicable.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) Current vis-a-vis non-current classification

The assets and liabilities reported in the Balance Sheet are classified on a “current/non-current basis”, with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue Recognition

Recognition of Revenue from Sale of Products:

Revenue from sale of products is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured

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reliably. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of products is not recognized on the grounds of prudence, until realized in respect of delayed payments as recovery of amounts are not certain.

Revenue from operations includes sale of products, services and are measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and Excluding taxes or duties collected on behalf of the government, and Includes Non-refundable Taxes or duties collected on behalf of Government.

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the

SALGUTI INDUSTRIES LIMITED

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same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Earnings per share

i) Basic earnings per share:

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company;
- By the weighted average number of equity shares outstanding during the financial year.

ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Property, plant and equipment

- Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at historical cost which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits can be derived.
- Benefits associated with the item will flow to the Company and the cost of the item can be

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measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:

- Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the following class of assets as prescribed in Part C of Schedule II to the Companies Act,
- Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Inventories

Consumables, Stores and Spares

Inventories are valued at cost or net realizable value whichever is lower. Costs include all non-refundable duties and all charges incurred in bringing the goods to the present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The company has not created any provision for impairment during the year.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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Contributed Equity

Equity shares are classified as equity.

Financial liabilities:

i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

iii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described

Borrowings:

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Trade and other payables:

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

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De recognition:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Cash flow statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Provisions

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

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Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Post-employment obligations

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, ESI. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of its primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupees (INR), which is the company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Critical accounting estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and

SALGUTI INDUSTRIES LIMITED

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judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation
- Useful life of Property Plant and Equipment
- Expected credit loss of financial assets
- Income Taxes

Related Party Transactions:

The Company furnishes the Disclosure of transactions with related parties, as required by Ind AS 24 "Related Party Disclosures" as prescribed by Companies (Indian Accounting Standard) Rules 2015. Related parties as defined under Ind AS 24 have been identified on the basis of representation made by the management and information available with the company.

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Notes to Financial Statements

29. No amounts payable to Micro, Small and Medium Enterprises Development Act, 2006, is outstanding for a period more than 45 days.

30. Details of Deferred Tax Liability as on 31-03-2022 on account of timing difference is as under :

Deferred Tax Liabilities	As on 31-03-2022 (In Rupees)	As on 31-03-2021 (In Rupees)
Opening Balance	66.76 Lakhs	63.30 Lakhs
Add: Adjustment for timing difference of Depreciation as per Companies Act and Income Tax Act,	4.15 Lakhs	3.46 Lakhs
Closing Balance	70.91 Lakhs	66.76 Lakhs

31. Related Party Disclosures:

(A) Related Parties

Name of the Related Party	Nature of Relationship
S. Vishnu Vardhan Reddy	Managing Director
S. Rajitha Reddy	Whole Time Director
NagarajDraksharam	Independent Director
Indira Reddy Kuknoor	Independent Director
M/s. Salguti Builders Private Limited	Commonly Controlled Organization
M/s. Salguti Finance & Investments (p) Ltd.	Commonly Controlled Organization
S. Prajwal Reddy	Family
Rashi Pathak	Company Secretary

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(B) Transactions during the year with Related Parties:(Amount in INR.)

Name of the Party	Nature of Relationship	Nature of Transaction	2021-22	2020-21
S. Vishnu Vardhan Reddy	Managing Director	Remuneration	Nil	1.20Lakhs
S. Rajitha Reddy	CFO & Whole Time Director	Remuneration	Nil	Nil
NagarajDraksharam	Independent Director	Remuneration	Nil	Nil
Indira Reddy Kuknoor	Independent Director	Remuneration	Nil	Nil

(C) Balances as at 31st March, 2022(Amount in INR (lakhs))

Name of the Party	Nature of Relationship	Nature of Transaction	As at 31st March 2022
S. VishnVardhan Reddy	Managing Director	Loans and Advances Received	291.23Lakhs
S. Rajitha Reddy	CFO & Whole Time Director	Loans and Advances Received	321.60Lakhs
S. Prajwal Reddy	Related Party	Loans and Advances Received	53.50Lakhs
Salguti Builders Private Limited	Commonly Controlled Organisation	Loans and Advances Received	5.52 Lakhs
Salguti Finance & Investments (p) Ltd.,	Commonly Controlled Organisation	Loans and Advances Received	69.89 Lakhs

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Rashi Pathak	Company Secretary	Salary	1.62 Lakhs
Swati bagh	Company Secretary	Salary	0.96 Lakhs

32. Pending LCs:

Particulars	Type	As at 31-03-2022 (RS.)	As at 31-03-2021 (RS.)
Letter of Credit	Inland LCs	729 Lakhs	718.82 Lakhs

33. Contingent Liabilities:

Name of the Statute	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.in lakhs)
Income Tax	Commissioner of Income Tax (Appeals)	FY 2013-14	265.95

34. Earnings Per Share : (Amount in INR)

Particulars	FY 2021-22	FY 2020-21
Net profit after tax	-16.05 Lakhs	11.74 Lakhs
Weighted Average Numbers of shares	75.367 Lakhs	75.367 Lakhs
Basic EPS (Rs.)	-0.21	0.16
Diluted EPS (Rs.)	-0.21	0.16

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35. Depreciation on Property, Plant & Equipment

Assets are depreciated over their useful life as per Schedule II of the Companies Act, 2013.

36. Segment Reporting

Segment Reporting is not applicable as the company operates in only one segment viz. Plastic business.

37. Additional disclosure under the regulatory requirements:

- i.** Title Deeds of all immovable properties are held in the name of the company.
- ii.** The company does not have any intangible assets under development.
- iii.** No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- iv.** According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of Rs. 5crore, in aggregate from the banks on the basis of security of current assets. In our opinion According to the information given to us the quarterly statements filed by the company with such banks are in agreement with the books of account of the company of the respective quarters.
- v.** The Company was not declared as a wilful defaulter by any bank or financial Institution or other lenders.
- vi.** The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- vii.** There were no charges or satisfaction which were yet to be registered with Roc beyond the statutory period.

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viii. Ratio analysis:

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance
Current Ratio	Current assets	Current liabilities	1.60	1.70	-6%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	4.17	4.21	-1%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	1.66	1.76	-6%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	-0.018	0.013	-237%*
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	4.423	3.688	20%**
Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.61	3.94	43%***
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	6.77	4.93	37%#
Net capital turnover ratio	Revenue	Working Capital	5.62	4.02	40%##
Net profit ratio	Net Profit	Revenue	-0.001	0.00	-198%###
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	0.10	0.12	-16%

Reasons to be stated for variance more than 25%

* Steep increase in overall expenditures of the company as compared to gross receipts during the year.

** Inventory turnover ratio has increased as a result of increase in sales and effective management.

*** Trade receivables ratio has improved as a result of better collection mechanism of the company and also due to increase in sales during the year.

Increase in purchases for production purpose resulted in rapid settlement of payables.

Steep increase in revenue of the company as a result of more sale orders.

Steep increase in overall expenditures of the company as compared to gross receipts during the year.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Pursuant to the provisions of SEBI (LODR) Regulations 2015, Management Discussion and Analysis Report is given below:

COMPANY'S PRODUCTS / SERVICES

- ✚ **Plastic Division:** Our Company is Manufacturing HDPE/PP Woven sacks for packing of Fertilizers & Cement.

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.

REPORT ON CORPORATE GOVERNANCE

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

- a) As on 31st March 2022, the Company has 5 (Five) Directors with Non-Executive Chairman, out of 5 (Five) Directors, 3 (three) are Non-Executive Independent Directors, 2 (two) are Executive Directors (including Managing Director).
- b) 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, 2022.
- c) 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 Public Limited Companies	Number of Board Committee memberships held in other Public Companies
Sri S. Vishnu Vardhan Reddy	Promoter & Executive Director	Nil	Nil
Smt. S. Rajita Reddy	Promoter & Executive Director	Nil	Nil
Sri. Draksharam Nagaraj	Non-Executive Independent Director	Nil	Nil
Smt. Indira Reddy Kuknoor	Non-Executive Independent Director	1	Nil
Sri.Lakshmikar Reddy Mundla	Non-Executive Independent Director	4	Nil

The Board met 5 (Five) Times on the following dates during the financial year 2021-2022 on 16.04.21, 30.06.21, 14.08.21, 11.11.21 and 11.02.22

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

Name of the Director	No. of Meetings held	No. meetings attended	Presence at AGM
Sri S. Vishnu Vardhan Reddy	5	5	Yes
Smt. S. Rajita Reddy	5	5	Yes
Sri. Draksharam Nagaraj	5	5	No
Smt. Indira Reddy Kuknoor	5	5	Yes
Sri.Lakshmikar Reddy Mundla	5	5	Yes

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

During the year, information as required under the provisions of SEBI (LODR) Regulations 2015 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 SEBI (LODR) Regulations 2015 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:
 1. Any changes in accounting policies and practices;
 2. Qualification in draft audit report;
 3. Significant adjustments arising out of audit;
 4. The going concern concept;
 5. Compliance with accounting standards;
 6. Compliance with stock exchange and legal requirements concerning financial statements;
 7. 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 29th September, 2021 and **Smt. Indira Reddy Kuknoor**, Chairman of the Audit Committee, was not present at the previous AGM due to Health Issues and Mrs. Rajitha Reddy Salguti answered the Queries of the Shareholders.

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

Name of the Director	Designation	No. of Meetings held	No. meetings attended
Smt. Indira Reddy Kuknoor	Chairman	4	4
Sri. Draksharam Nagaraj	Member	4	4
Smt. S. Rajitha Reddy	Member	4	4

V) During the financial year, 4 (Four) Audit Committee meetings were held on:

30.06.21, 14.08.21, 13.11.21 & 11.02.22

The necessary quorum was present at all the meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Committee is given below:

Name of the Director	Chairman/Member	No. of Meetings held	No. meetings attended
Smt. Indira Reddy Kuknoor	Chairman	2	2
Sri. Draksharam Nagaraj	Member	2	2
Sri. Lakshmikar Reddy Mundla	Member	2	2

During the financial year, 2 (Two) Nomination and Remuneration Committee meetings were held on 30.06.2021 & 11.02.2022: The necessary quorum was present at all the meetings.

5. REMUNERATION OF DIRECTORS:

Details of remuneration paid to Directors are given below:

Name of the Director	Relationship with other Directors	Business relationship with Company if any	Loans and advances from Company	Remuneration Sitting fees	Paid during the Year 2021-22		
					Salary	Commission	Total
Sri Vishnuvardhan Reddy	Related to Smt. Rajitha Reddy	Promoter Director	NIL	--	0	0	0
Smt. Rajitha Reddy	Related to Sri. Vishnuvardhan Reddy	Promoter Director	NIL	--	0	0	0

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:

Name of the Director	Chairman/Member
Smt. Indira Reddy Kuknoor	Chairman
Smt. S. Rajita Reddy	Member
Sri. Draksharam Nagaraj	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, 2022 were: NIL. The Committee met once on 11.02.2022

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 the provisions of SEBI (LODR) Regulations 2015. 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
36 th	2020-2021	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	29.09.2021	12: 30 P.M
35 th	2019-2020	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	29.09.2020	12: 30 P.M
34 th	2018-2019	Sundaraiah Vignana Kendram, (Mini Hall), Bagh Lingampally, Hyderabad – 500 044	28.09.2019	12.30 P.M.

Postal ballot:

During the year under review, the company has not conducted any postal Ballot

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.
- iii. The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations 2015.

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 : 30-09-2022
Time : 12: 30 PM
Venue : Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

(II) Financial Calendar 1st April, 2021 to 31st March, 2022 (Tentative Schedule)

Quarter ending June 30, 2022 : Declared on 13th August, 2022
Quarter ending September 30, 2022 : On or before 14th November, 2022
Quarter ending December 31, 2022 : On or before 14th February, 2023
Quarter ending March 31, 2023 : on or before 30th May 2023
Annual General Meeting for FY ended 31st March, 2023 : On or before 30th September, 2023

(III) Date of Book Closure

Saturday, 24th September 2022 to Friday, 30th September 2022 (both days inclusive)

(IV) Listing on Stock Exchanges :

BSE Limited (BSE)

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

(V) Stock Code

BSE 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 BSE Limited, the following Market Price High & Low during each Month in the Last Financial Year 2021-2022 as follows:

Month & Year	High Price	Low Price
Apr-21	7.54	7.15
May-21	11.57	6.9
Jun-21	18.28	9.25
Jul-21	20.15	14.25
Aug-21	22.3	17
Sep-21	21.1	18
Oct-21	17.45	14.1
Nov-21	22.5	15
Dec-21	21.35	18.3
Jan-22	26.4	17.45
Feb-22	20.4	14.75
Mar-22	14.03	12.6

(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. Aarhi Consultants Private Limited

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

Ph: 040-2763 8111; 040-2763 4445

Fax: 040-2763 2184

Website: www.aarhiconsultants.com

Email: info@aarhiconsultants.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.aarhiconsultants.com
Email: info@aarhiconsultants.com

The Shares of the Company are in physical form and electronic form. The transfer of shares in demat form is done through the Depositories without involvement of the Company. As regards, transfer of shares held in physical form, the transfer documents can be lodged with Company as well as Registrars M/s. Aarathi Consultants Private Limited at above-mentioned address.

The Transfer of shares in physical form is normally processed within 10-15 days from the date of receipt if the documents are complete in all respects. The Share Transfer Committee severally empowers to approve the transfers.

(X) Statement Showing Distribution Schedule as on 31.03.2022

SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	2518	78.91	545789	5457890	7.24
2	5001 - 10000	283	8.87	245879	2458790	3.26
3	10001 - 20000	301	9.43	538107	5381070	7.14
4	20001 - 30000	26	0.81	68294	682940	0.91
5	30001 - 40000	11	0.34	37788	377880	0.5
6	40001 - 50000	13	0.41	63656	636560	0.84
7	50001 - 100000	16	0.5	107295	1072950	1.42
8	100001 & Above	23	0.72	5929892	59298920	78.68
	Total:	3191	100	7536700	75367000	100

(XI) Statement Showing Shareholding Pattern as on 31.03.2022

Category	Category of shareholder	No. of share holders	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter & Promoter Group	12	5054600	67.07
(B)	Public	3179	2482100	32.93
	Total		7536700	100.00

(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 79.81% of the company's share capital are dematerialized as on 31st March 2022.

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 **INE159C01012**.

(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	
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(XIV) Address for Correspondence	8-2-334/18, 3 rd Floor, Road No.3, Banjara Hills, Hyderabad – 34
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12. OTHER DISCLOSURES AS PER THE PROVISIONS OF SEBI(LODR) REGULATIONS 2015

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.

ii. Certificate of Code of Conduct for the year 2021-2022

M/s. Salguti Industries Limited 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 2021-2022.

Place: Hyderabad
Date: 03-09-2022

Sd/-
Vishnu Vardhan Reddy
Managing Director
DIN: 00051641

iii. 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.

iv. 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.

v. CEO/CFO Certification

The CEO and CFO certification of the financial statements for the year 2021-2022 is provided elsewhere in this Annual Report.

For **SALGUTI INDUSTRIES LIMITED**

Place: Hyderabad
Date: 03-09-2022

Sd/-
S.Vishnu Vardhan Reddy
Managing Director
DIN: 00051641

Sd/-
S.Rajitha Reddy
Whole-Time Director
DIN: 00051603

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

I, Mr. Vishnuvardhan Reddy Salguti, 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 2022 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: 03.09.2022

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

1. We have examined the compliance of conditions of Corporate Governance by **Salguti Industries Limited** (“the Company”), for the year ended on March 31, 2022, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.
5. We 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 C N & Associates,
Chartered Accountants.
FRN: 016016S**

**K. Gopala Krishna
Partner
M No: 203605
UDIN: 22203605AQRAQS5564**

**Place: Hyderabad
Date: 05-07-2022**