

**19th
Annual Report
2012 - 2013**

SMILAX INDUSTRIES LIMITED

SMILAX INDUSTRIES LIMITED

Board of Directors

Sri A. Vijayavardhan Reddy	: Managing Director
Sri P. Siva Mohan Reddy	: Non Executive Director
Sri Chandaluru Bapanaiah	: Independent Director
Sri Penugonda T.V.M. Suresh	: Independent Director
Sri D. Satish Kumar	: Independent Director
Sri M. Srikanth §	: Non Executive Director

§ Appointed on 05-04-2012

Auditors

M/s P. Murali & Associates
Chartered Accountants,
6-3-655/2/3, 1st Floor,
Somajiguda, Hyderabad- 500 082

Registered Office

Kurru Village, Iskapli post,
Alluru Mandalam,
Nellore-524315
Andhra Pradesh.

Shares Transfer Agent

M/s. Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar, Hyderabad, 500018
Telephone No. 040-23818475/23818476/23868023

SMILAX INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Company will be held on, Monday the 30th Day of September, 2013 at 10.00 AM, at Kurru Village, Iskapali Post, Alluru Mandalam, Nellore-524 315, Andhra Pradesh to transact the following items of business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2013 and the Balance Sheet and other statements as on that date together with the Report of the Board of Directors and the Auditor's Report thereon.
2. To appoint a Director in place of **Mr.P. Sivamohan Reddy** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr.Chandaluru Bapanaiah** who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s. P. Murali & Co., Chartered Accountants be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration."

By Order of the Board
For SMILAX INDUSTRIES LIMITED

Place: Hyderabad
Date : 30.05.2013

Sd/-
M.SRIKANTH
DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy forms in order to be effective must be received by the company not less than 43 hours before the meeting.
3. The Share Transfer Register and the Register of Members of the Company will remain closed from **27-09-2013 to 30-09-2013** (both days inclusive) in connection with the Annual General Meeting.
4. M/s. Venture Capital And Corporate Investments Private Limited 12-10-137, Bharat Nagar, Hyderabad, 500018, A.P. is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
5. **Details of Director seeking re-appointment/appointment at the upcoming 19th Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)**

As required under the Listing Agreement, the particulars of Director, **Mr.P. Sivamohan Reddy** and **Mr.Chandaluru Bapanaiah** who are proposed to be re-appointed/appointed are given below:

SMILAX INDUSTRIES LIMITED

A	Name	Mr.P. Sivamohan Reddy	Mr.Chandaluru Bapanalah
B	Brief Resume:		
	i) Age	54	51
	ii) Qualification	M.Com, LLB	B.Com
	iii) Expertise	Having vast experience in construction industry	Having more than 24 years of experience in Finance & Administration
C	Name(s) of the other Companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL	NIL
D	Name(s) of Companies in which Committee Membership(s) held.	Smilax Industries Limited	Smilax Industries Limited
E	No. of shares of Rs.10/- each held by the Director.	-	-
F	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act,1956)	-	-

**By Order of the Board
For SMILAX INDUSTRIES LIMITED**

Place: Hyderabad
Date: 30.05.2013

Sd/-
M. SRIKANTH
DIRECTOR

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 19th Annual Report on the business of your Company together with the Audited Accounts for the financial year ended 31st March, 2013.

FINANCIAL PERFORMANCE:

During the year under review the Company could not take-up any of its activities due to economic recession particularly in the construction industry. As far as the expenditure is concerned we have spent only the minimum amount required for safeguarding the interest/assets of the Company.

PARTICULARS OF EMPLOYEES:

In pursuance of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, no employee was in receipt of remuneration of Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- or more per month or employed for a part of the year.

DIRECTORS:

Mr.P. Sivamohan Reddy & Mr. Chandaluru Bapanaiah Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

PERSONNEL:

The relations between the management and the staff were very cordial throughout this year. Your Directors take this opportunity to record their appreciation for the co-operation and loyal services rendered by the employees.

AUDITORS:

The Statutory Auditors of the Company, M/s. P. Murali & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and the Board recommend the re-appointment of M/S P. Murali & Associates, Chartered Accountants, as Statutory Auditors of your Company.

DEPOSITS:

The Company has not accepted any deposits during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i. In preparation of annual accounts for the financial year ended 31st March, 2013 the applicable Accounting Standards have been followed;
- ii. 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 true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2013 and of the profit and loss of the Company for the year;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The Directors have prepared the annual accounts on a "going concern" basis.

SMILAX INDUSTRIES LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review there are no operations which require to be disclosed under this head as per the provisions of the Companies Act, 1956.

CORPORATE GOVERNANCE:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. Report on Corporate Governance including Auditor's Certificate on compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as Annexure to this report.

MANAGEMENT DISCUSSION & ANALYSIS:

A report on the Management Discussion and Analysis for the year under review is annexed hereto and forms part of the Annual Report.

ACKNOWLEDGEMENTS:

Your Directors wish to express their gratitude to the Central and State Governments, investors, analysts, financial institutions, banks, business associates and customers, the medical profession, distributors and suppliers for their whole-hearted support. Your Directors commend all the employees of your Company for their continued dedication, significant contributions, hard work and commitment.

For and on behalf of the Board

Place: Hyderabad
Date : 30.05.2013

**Sd/-
M.SRIKANTH
DIRECTOR**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry structure and development:**

As the Company is unable to carry on its existing objectives, it has decided to venture into civil construction & infrastructure business apart from its existing business. The infrastructure industry in India is traversing through transition phase when compared to its growth over the past few decades.

Opportunities and threats:

The Company is exploring through various means to utilize the opportunities available to carry on the new objects for the growth of the Company

Outlook:

India is on the verge of witnessing a sustained growth in infrastructure buildup. Infrastructure investments continue to be the most important growth driver for construction companies. The proposed increase in allocation in the twelfth five-year plan (2012-2017) will translate into a healthy business for construction companies.

Risks and concerns:

Technical and Financial Qualification for bidding projects will be the main concern apart from the financial resources which have to be properly identified and planned for.

Financial performance:

Financial performance with respect to operational performance.

(Amount in Rs.)

Particulars	For the year ended 31-03-2013	For the year ended 31-03-2012
Total Income	NIL	924,895
Depreciation	NIL	NIL
Profit (Loss) before Tax	(916,619)	(3,290,011)
Provision for Tax-FBT	NIL	NIL
Profit (Loss) after Tax	(916,619)	(3,290,011)
Prior period Adjustment	NIL	NIL
Balance brought forward	NIL	NIL
Balance carried to Balance sheet	NIL	NIL

Internal control systems & their adequacy:

The Company has not carried out any financial operations except minor expenditure to meet its statutory requirements during the year. The company has proper internal control system commensurate to its size and operations.

Material development in Human Resources:

The Company has good relations with its employees and has the policy to comply with all the statutory requirements from time to time.

Caution:

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. These are based on certain assumptions and expectations of future events. The company does not guarantee that these assumptions and expectations are accurate or will be realized. The actual results or performance could differ materially from those expressed or implied. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

SMILAX INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT
(As required under Clause 49 of the Listing Agreement)

The Company securities are listed on Bombay Stock Exchange Limited. The Corporate Governance Report has been prepared in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

1. BOARD OF DIRECTORS

The Board presently comprises of Six Directors, having rich and vast experience with specialized skills in their respective fields, out of which five are Non-Executive Directors. The company has a Non-Executive Chairman and Three (3) Independent Directors comprising more than one third of the total strength of the Board. The Non-Executive Directors are more than 50% of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company. During the year under review Five Board Meetings were held on 05-04-2012, 14-05-2012, 21-08-2012, 06-11-2012 and 14-02-2013.

Name of the Director	Category	No of Board Meetings during the Year 2012-2013		Other Company's Directorships @	Attendance at last AGM 30-09-2012	No of Memberships held in Committees#
		Held	Attended			
A. Vijayvardhan Reddy	Managing Director	5	5	1	Yes	Nil
P. Siva Mohan Reddy	Director	5	3	0	Yes	2
Chandaluru Bapanaiah	Independent Director	5	3	1	Yes	1
Perugonda T.V.M. Suresh	Independent Director	5	4	1	No	1
D. Sallish Kumar	Independent Director	5	4	1	Yes	1
M. Srikanth \$	Director	5	4	0	-	-

- @ Excluding Private Limited
- # Only Membership of Audit and Investor Grievances Committees are considered.
- \$ Appointed on 05-04-2012

2. COMMITTEES OF DIRECTORS**A. Audit Committee**

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The Committee also acts in terms of reference and directions of the Board from time to time.

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

SMILAX INDUSTRIES LIMITED

S.No	Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
1	D Satish kumar	Chairman	4	4
2	Chandaluru Bapanaiah	Independent Director	4	3
3	P. Siva Mohan Reddy	Non- Executive Director	4	4

The Chairman of the Audit Committee also attended the last Annual General Meeting of the company.

The Managing Director, Mgr. Finance, and Statutory Auditors are also invited to the meetings, as required, to brief the Committee Meetings.

The Audit Committee meetings were held during the year under review on the following date's 14-05-2012, 21-08-2012, 06-11-2012 and 14-02-2013. The gap between two audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

B. Remuneration Committee

Remuneration committee was duly constituted in accordance with the requirements of Schedule XIII to the Companies Act, 1956 and Listing Agreement. The Remuneration Committee is authorized, subject to the provisions of Companies Act, 1956 and the consent of members, to negotiate, finalize and approve the terms of appointment for Managing Directors/Whole-time Directors and other Senior Executives on behalf of the Company. The Composition of Remuneration Committee is as follows:

Name of the Director	Designation
Chandaluru Bapanaiah	Chairman
D. Satish Kumar	Member
Penugonda T.V.M Suresh	Member

Chairman and members of the Remuneration Committee are Independent Non-Executive Members.

C. Shareholders/Investor's Grievance Committee:

The present composition of the Shareholders/Investor's Grievance Committee is as under

Name of the Director	Designation
Penugonda T.V.M Suresh	Chairman
P.Siva Mohan Reddy	Member

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

D. GENERAL BODY MEETINGS

i) The Details of the last three Annual General Meetings are given below:

Financial year ended	Date	Venue	Time	Special Resolution passed
March 31 st , 2012	30 th September, 2012	Kurru Village, Iskapalli Post, Alluru Mandalam, Nellore-524 315, Andhra Pradesh.	11.00 AM	No Special Resolution
March 31 st , 2011	30 th September, 2011	Kurru Village, Iskapalli Post, Alluru Mandalam, Nellore-524 315, Andhra Pradesh.	11.00 AM	No Special Resolution
March 31 st , 2010	30 th September, 2010	Kurru Village, Iskapalli Post, Alluru Mandalam, Nellore-524 315, Andhra Pradesh.	11.00 AM	No Special Resolution

ii) During the last three financial years the following Special Resolutions were passed at the Extra-Ordinary General Meetings and through Postal Ballot.

Year	Date	Time	Special Resolution Passed
2011-2012	No Extra-ordinary General Meeting of the members was held during the year.		
2010-2011	No Extra-ordinary General Meeting of the members was held during the year.		
2009-2010	No Extra-ordinary General Meeting of the members was held during the year.		

iii) During the last three financial years the following Special Resolutions were passed through Postal Ballot.

S.No.	Date	Special Resolution Passed
1	22-11-2011	Resolution U/s 293 (1) (a) of the Companies Act, 1956, to obtain consent of the members of the Company, to dispose off by sale or otherwise the whole of land situated at Kurru Village, Iskapalli post, Alluru Mandalam, Nellore District.
2	30-01-2012	1. Resolution U/s 16 & 17 of the Companies Act, 1956, to obtain consent of the members of the Company, to alter the main objects in the Memorandum of Association, by deleting a sub clause and replacing the same with a sub-clause, which reflects the main activity of the company. 2. Resolution U/s 21 of the Companies Act, 1956, to obtain the consent of the members of the Company to change the name of the Company from WYN AQUA EXPORTS LIMITED to SMILAX INDUSTRIES LIMITED.

3. DISCLOSURES

No transaction of material nature is entered into by the Company with the promoters, directors or management or their relatives etc that may have a potential conflict of interest of the Company. The Company has not entered into any contract with the director, which requires any entry in the register of contracts as required under the provisions of the Companies Act, 1956 there are no pecuniary transactions with the independent/ non-executive directors other than payment of remuneration/sitting fees.

Details of Non- Compliance and Penalties:

There was no non-compliance during the year by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the Capital Markets.

Whistle Blower Policy:

As per the Internal Code of Conduct the employees have been given access to the Audit Committee.

CEO/CFO Certification:

The Managing Director (CEO) has certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2013.

Compliance Certificate:

Compliance certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this report.

Code of Conduct:

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and senior Management of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the financial year ended 31st March, 2013. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

Details of Compliance with Mandatory Requirements and Adoption of the Non- mandatory Requirements:

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of Non-mandatory requirements if any.

Relationship inter-se among directors:

In accordance with the provisions of Section 6 read with Schedule IA of the Companies Act, 1956, no directors and promoters are related to each other.

4. Means of Communication:

Your Company complied with the requirements of Clause 41 of the Listing Agreement. The results will also be published in one English newspaper and in one Telugu newspaper.

The Financial Results are regularly being submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website www.smilaxindustries.com

5. GENERAL SHAREHOLDER'S INFORMATION

A. Annual General Meeting

Date and Time	30 th September, 2013 -10.00AM
Venue	SMILAX INDUSTRIES LIMITED, Kurru Village, Iskappali Post, Alluru Mandalam, Nellore-524 315 Andhra Pradesh.
Last Date of Proxy forms submission	48 Hours

- B. Financial Year : April 1st 2012 to March 31st 2013
 C. Book Closure : 27th September, 2013 to 30th September, 2013
 D. Listing on Stock Exchanges : BSE Limited, Mumbai
 E. Stock Code

Name of the Stock Exchange	Stock Code	Scrip Code
BSE Limited	519586	SMILAX

Demat ISIN No. for CDSL & NSDL	INE393M01016
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The company securities are listed on BSE Limited.

F. Market Price Data & Share Performance of the Company

BSE Limited, the monthly High, Low and trading volumes of the Company's Equity Shares during the last financial year 2012-2013 at The BSE Limited, trading was:

Months	BSE limited		
	High (Rs.)	Low(Rs.)	Volume
April, 2012	14.68	7.50	13,905
May, 2012	19.97	14.97	2,63,043
June, 2012	17.95	15.40	5,14,998
July, 2012	19.90	15.85	7,82,058
August, 2012	19.65	15.95	11,70,889
September, 2012	18.00	13.95	10,04,465
October, 2012	19.45	16.50	18,48,379
November, 2012	21.45	18.10	24,79,303
December, 2012	21.70	18.80	32,81,440
January, 2013	21.00	18.90	36,87,507
February, 2013	22.60	18.35	38,45,416
March, 2013	22.65	14.15	42,99,357

All Services relating to share transfer/transmissions and information may be addressed to:

G. Registrar and Share Transfer System

M/s Venture Capital And Corporate Investments Private Limited acts as Registrar and Share Transfer Agent and Demat Registrar.

Address:

M/s. Venture Capital and Corporate investments Private Limited
12-10-167, Bharat Nagar, Hyderabad, 500018.

Telephone No. 040-23818475/23818476/23868023.

H. Share Transfer System

Share Transfers in physical form shall be lodged with the Registrar at the said address. The share transfers are generally processed by our Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

I. Shareholding Pattern as on 31st March, 2013

Category	No. of Shares held	% of Capital
Indian Promoters	21,84,090	17.76
Banks, Financial Institutions, Insurance Companies (Central/State Govt institutions/ Non-Govt. institution)	1,20,459	0.98
Indian Public	73,91,224	60.09
Private Corporate Bodies	12,27,582	9.98
NRI's/OCB's/FCCB's/Clearing Members , others	13,77,045	11.19
Total	1,23,00,400	100

J. Dematerialization of shares and liquidity

The Company has made necessary arrangement with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL) for dematerialization facility. As on 31st March, 2013, 59.54% of the Company's Equity Shares are in dematerialized form. The ISIN No. /Code for the Company's Equity Shares is INE393M01016. Shareholders can open an account with any of the depository participants registered with any of these depositories.

K. Farm Locations

Iskapalli Village, Nellore District, Andhra Pradesh.

L. Address for Correspondence

6-3-348/10, Nirmal Towers, Dwarkapuri Colony, Punjagutta, Hyderabad-500081.

For and on behalf of the Board

Place: Hyderabad
Date : 30.05.2013

Sd/-
A. VIJAYAVARDHAN REDDY
MANAGING DIRECTOR

Managing Director's Certification

I have reviewed the financial statements, read with the cash flow statement of Smilax Industries Limited for the year ended March 31st, 2013 and that to the best of my knowledge and belief, I state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
(ii) These statements present true and fair view of the company's affairs and are in compliance with current Accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) I have indicated to the Auditors and Audit Committee:
 - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (ii) There are no instances of fraud involving the management or an employee.

Place: Hyderabad
Date : 30.05.2013

Sd/-
A. VIJAYAVARDHAN REDDY
MANAGING DIRECTOR

Declaration by the Managing Director

I, Vijayavardhan Reddy A, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2012-2013.

Place: Hyderabad
Date : 30.05.2013

Sd/-
A. VIJAYAVARDHAN REDDY
MANAGING DIRECTOR

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Smilax Industries Limited,

We have read the report of the Board of Directors of Corporate Governance and have examined the the relevant records relating to compliance condition of Corporate Governance of Smilax Industries Limited ("the company") for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the guidance note on *Certification of Corporate Governance* issued by the Institute Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was conducted to express an opinion on the Financial Statements of the Company.

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

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

For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN:007257S

Place: Hyderabad
Date: 30-05-2013

Sd/-
M.V.JOSHI
PARTNER

INDEPENDENT AUDITOR'S REPORT

To the Members of Smilax Industries Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of Smilax Industries Limited "the Company", which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

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

Opinion:

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

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

SMILAX INDUSTRIES LIMITED

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with this Report are in agreement with the books of account,
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For P.MURALI & CO.,
CHARTERED ACCOUNTANTS**
Firm's Registration Number:007257S

Sd/-
M.V.JOSHI
PARTNER
Membership Number: 024784

Place : Hyderabad
Date : 30-05-2013

ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The company has maintained proper records showing full particulars including quantitative detail and situation of Fixed Assets.
(b) As explained to us, The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
(c) The company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to companies, Firms or other parties covered in the register maintained U/s.301 of the Companies Act, 1956.
(b) As the Company has not granted loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of the company, is not applicable.
(c) As no loans are granted by Company, the clause of receipt of interest & principle amount from parties, is not applicable to the company.
(d) No loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956 hence overdue amount of more than rupees one lakh does not arise and the clause is not applicable
(e) The company has not taken any loans, secured or unsecured from Companies, Firms or other parties covered in the register maintained U/s .301 of the companies Act, 1956.
(f) As the company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of the company, is not applicable.
(g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
(b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.

SMILAX INDUSTRIES LIMITED

- VI. The company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provision of section 58A, 58AA or any other relevant provisions of the Act, and the rules framed there under does not arise.
- VII. In our opinion the company has an internal audit system, commensurate with its size and nature of its business.
- VIII. We have broadly verified the books of account and records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- IX (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other applicable statutory dues with the appropriate authorities during the year. According to information and explanations given to us there are no arrears of statutory dues as at 31st March, 2013 which were outstanding for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not deposited on account of any dispute.
- X. The Company has been registered for a period of not less than 5 years, and the Company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or Banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to chit fund in respect of Nidhi / Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, to the company is not dealing or trading in Shares, Securities, Debentures and other Investments and hence the provisions of clause 4(xiv) of the companies (Auditor's Report) Order 2003, are not applicable to the company.
- XV. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanation given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the Company.
- XVII. On the basis of our examination of the books & accounts and according to the information and explanations given to us, in our opinion the funds raised on short term basis have not been used for Long Term investment.
- XVIII. According to the information and explanation given to us, the Company has not made preferential allotment of Shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the company does not arise.

SMILAX INDUSTRIES LIMITED

- XIX According to the information and explanation given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debenture issued does not arise.
- XX According to information and explanation given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issues is not applicable.
- XXI According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year under audit.

**For P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN:007257S**

**Sd/-
M.V.JOSHI
PARTNER
Membership Number: 024784**

**Place : Hyderabad
Date : 30-05-2013**

SMILAX INDUSTRIES LIMITED
Balance Sheet as at 31st March, 2013

Particulars	Note No	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	123,004,000	123,004,000
(b) Reserves and Surplus	2	(30,262,212)	(29,346,043)
(3) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	2,187,924	2,187,924
(4) Current Liabilities			
(a) Short-term borrowings	4	27,562,010	26,671,010
(b) Trade payables	5	1,709,230	1,709,230
(c) Short-term provisions	6	50,350	39,114
Total		124,251,302	124,265,235
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	17,436,398	17,436,398
(ii) Capital work-in-progress		106,485,610	106,485,610
(b) Non-current investments	8	23,500	23,500
(c) Long term loans and advances	9	273,257	273,257
(2) Current assets			
(a) Cash and cash equivalents	10	32,537	46,470
Total		124,251,302	124,265,235

Summary of Significant Accounting Policies

The accompanying Notes are an integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR P.MURALI & CO.,
 CHARTERED ACCOUNTANTS
 FRN: 007257S

For SMILAX INDUSTRIES LIMITED

Sd/-
 M.V. JOSHI
 PARTNER

Sd/-
 A. VIJAYAVARDHAN REDDY
 MANAGING DIRECTOR

Sd/-
 M. SRIKANTH
 DIRECTOR

Place : Hyderabad
 Date : 30-05-2013

SMILAX INDUSTRIES LIMITED

Profit and Loss statement for the year ended 31st March, 2013

Particulars	Note No	As at	As on
		31/03/2013	31/03/2012
		Rs	Rs
I. Revenue from operations	11	-	924,895
II. Other income		-	-
III. Total Revenue (I + II)		-	924,895
IV. Expenses:			
Purchase of Stock in trade	12	-	844,526
Other operating expenses	13	11,238	2,266,174
Administrative Expenses	14	904,933	1,083,759
Financial Costs	15	-	447
Depreciation and amortization expense	7	-	-
Total Expenses		913,169	4,214,906
V. Profit before exceptional and extraordinary items and tax (III - IV)		(913,169)	(3,290,011)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(913,169)	(3,290,011)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(913,169)	(3,290,011)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations (IX - X)		(913,169)	(3,290,011)
XII. Profit(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit(Loss) for the period (XI + XIV)		(913,169)	(3,290,011)
XVI. Earning per equity share:			
(1) Basic			
(2) Diluted			

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR P.MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

FOR AND ON BEHALF OF THE BOARD

Sd/-
M.V. JOSHI
PARTNER

For SMILAX INDUSTRIES LIMITED

Place : Hyderabad
Date : 30-05-2013

Sd/-
A. VIJAYAVARDHAN REDDY
MANAGING DIRECTOR

Sd/-
M SRIKANTH
DIRECTOR

SMILAX INDUSTRIES LIMITED

SMILAX INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013 (Amount in Rs.)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit carried to balance sheet	(916,169)	(3,290,011)
Adjustments for:		
Depreciation	-	-
Provision for taxes	-	447
Interest and Financial charges	-	-
Operating Profit before working capital changes	(916,169)	(3,289,564)
Adjustments for (Increase)/ Decrease in operating assets		
Trade Receivables	-	-
Loans & Advances	-	-
Trade Payables	-	-
Provisions	11,236	11,236
Other Current Liabilities	891,000	3,310,000
Adjustments for increase/(Decrease) in operating Liabilities	902,236	3,321,236
Tax paid	-	-
Cash Generated from Operations	(13,933)	31,672
NET CASH FLOW FROM OPERATING ACTIVITIES-(A)	(13,933)	31,672
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed assets (net)	-	-
Sale of Fixed assets	-	-
NET CASH USED IN INVESTING ACTIVITIES-(B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of secured loans	-	-
Interest Paid	-	447
Repayment of unsecured loans	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES-(C)	-	447
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS(A+B+C)	(13,933)	31,225
Cash & Cash Equivalents as at 31st March 12 (Opening Balance)	46,470	15,245
Cash & Cash Equivalents as at 31st March 13 (Closing Balance)	32,537	46,470

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

Place: Hyderabad
Date: 30-05-2013

Sd/
A.VIJAYAVARDHAN REDDY
MANAGING DIRECTOR

Sd/
M. SRIKANTH
DIRECTOR

To,
The Board of Directors
SMILAX INDUSTRIES LIMITED

We have examined the attached Cash Flow Statement of M/s. SMILAX INDUSTRIES LIMITED for the year ended 31st March, 2013. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing agreement with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th May, 2013 to the member of the company.

for P.MURALI & CO.,
CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 30-05-2013

Sd/-
M. V. JOSHI
PARTNER

SMILAX INDUSTRIES LIMITED

NOTE NO. 1 : SHARE CAPITAL

S.NO.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs	Rs
a	Share Capital		
	(a) Authorised (1,50,00,000 Equity shares @ Rs.10/- each Current Year) (1,50,00,000 Equity shares @ Rs.10/- each Previous Year)	150,000,000	150,000,000
	(b) Issued (1,23,00,400 Equity Shares Current Year) (1,23,00,400 Equity Shares Previous Year)	123,004,000	123,004,000
	(c) Subscribed & Fully Paid Up (1,23,00,400 Equity Shares Current Year) (1,23,00,400 Equity Shares Previous Year)	123,004,000	123,004,000
	Total Equity Share capital	123,004,000	123,004,000
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: Equity Shares of Rs.10 Each, Fully paid up :		
	At the Beginning	12,300,400	12,300,400
	Issued during the year	-	-
	At the end	12,300,400	12,300,400
c	Details of Shareholder holding more than 5% shares of the company: Equity Shares of Rs. 10 each Held By		
		Shareholding	

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
i	RESERVES AND SURPLUS		
	Negative balance of reserves and surplus account	(2,93,46,043)	(26,056,032)
	i) Opening Balance - Profit and Loss Account	(9,16,169)	(3,290,011)
	Add: Transfer from Profit and Loss Account	(3,02,62,212)	(2,93,46,043)
	Total Reserves and Surplus		

NOTE NO. 3 : DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
i	Opening Deferred tax Liability	2,187,924	2,187,924
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	-	-
	Deferred Tax Liability/ (Asset) - Net	2,187,924	2,187,924

NOTE NO. 4 : SHORT TERM BORROWINGS

S. No.	Particulars	As on 31-03-2013	As on 31/03/2012
		Rs	Rs
i	Short term borrowings		
	a) Loans and advances from other parties		
	Secured	27,562,010	26,671,010
	Unsecured	-	-
	Total short term borrowings	27,562,010	26,671,010

SMILAX INDUSTRIES LIMITED

NOTE NO. 5 : TRADE PAYABLES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
i	a) Trade Payables	1,709,230	1,709,230
	Total Trade Payables	1,709,230	1,709,230

NOTE NO. 6 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
i	a) Others		
	Statutory Liabilities	-	-
	Provision for Expenses - Audit Fee Payable	50,350	39,114
	Total short term provisions	50,350	39,114

NOTE NO. 8 : NON- CURRENT INVESTMENTS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
i	Non- Current Investments		
	1) Trade Investments		
	a) Investment in Equity Instrument		
	Quoted		
	SMIFS Capital Markets Limited	23,500	23,500
	(1,000 Equity Shares of Rs.10/- each Current Year)		
	(1,000 Equity Shares of Rs.10/- each Previous Year)		
	Total Non Current Investments	23,500	23,500
	Less: Provision for Diminution in Investments	-	-
	Total Non - Current Investments	23,500	23,500

NOTE NO. 9 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
i	Long - term loans and advances:		
	a) Security Deposit		
	Secured		
	Unsecured	273,257	273,257
	Total Long term loans & advances	273,257	273,257

NOTE NO. 10 : CASH AND BANK BALANCES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
i	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	24,320	34,440
	b) Cash on hand	8,217	12,030
	Total Cash and Cash Equivalents	32,537	46,470

SMILAX INDUSTRIES LIMITED

Note numbers to Statement of Profit & Loss

NOTE NO. 11 : REVENUE FROM OPERATIONS

S. No.	Particulars	As on	As on
		31/03/2013	31/03/2012
		Rs	Rs
(i)	Revenue from operations in respect of non-finance company		
	(a) Sale of Products	-	924,895
	Total Revenue from Operations	-	924,895

NOTE NO. 12 : PURCHASE OF STOCK IN TRADE

S. No.	Particulars	As on	As on
		31/03/2013	31/03/2012
		Rs	Rs
I	Purchase of Materials	-	844,526
	Total Trade Purchases	-	844,526

NOTE NO. 13 : OTHER OPERATING EXPENSES

S. No.	Particulars	As on	As on
		31/03/2013	31/03/2012
		Rs	Rs
I	(a) Rates & Taxes (excluding income Tax)	-	2,274,938
	(b) Miscellaneous Expenditure		
	(c) Payment to Auditors:		
	(i) As Auditor	11,236	11,236
	Total Other Operating Expenses	11,236	22,86,174

NOTE NO. 14 : ADMINISTRATIVE EXPENSES

S. No.	Particulars	As on	As on
		31/03/2013	31/03/2012
		Rs	Rs
I	(a) Business Promotion Expenses	9,04,933	50,175
	(b) Office Administration Expenses	-	1,033,594
	(c) Consultancy Charges	-	
	Total Administrative Expenses	9,04,933	1,083,759

NOTE NO. 15 : FINANCIAL COST

S. No.	Particulars	As on	As on
		31/03/2013	31/03/2012
		Rs	Rs
I	(a) Interest Expenses :		
	- Loan processing Charges & Bank Charges	-	447
	Total Financial Cost	-	447

SMILAX INDUSTRIES LIMITED

Note Number : 7
 FIXED ASSETS AS ON 31st MARCH, 2013

Sl. No.	Particulars	Gross Block					Depreciation/Amortization				Net Block as on 31.03.2012	Net Block as on 31.03.2013	
		As on 01.04.2012	Additions during the year	Additions through Business acquisitions	Sale / Dispositions during the year	As on 31.03.2013	Dep. As on 01.04.2012	Dep. For the year 2012-2013	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation			
	LAND	6,997,460	-	-	-	6,997,460	-	-	-	-	-	6,997,460	6,997,460
	BUILDING	4,088,569	-	-	-	4,088,569	1,256,699	-	-	1,256,699	-	2,831,870	2,831,870
	POND CONSTRUCTION	8,474,538	-	-	-	8,474,538	2,035,058	-	-	2,035,058	-	4,439,480	4,439,480
	PLANT & MACHINERY	4,862,020	-	-	-	4,862,020	2,174,426	-	-	2,174,426	-	2,687,594	2,687,594
	FURNITURE & FIXTURES	302,359	-	-	-	302,359	116,852	-	-	116,852	-	185,507	185,507
	OFFICE EQUIPMENT	26,554	-	-	-	26,554	11,361	-	-	11,361	-	15,193	15,193
	VEHICLES	482,555	-	-	-	482,555	433,875	-	-	433,875	-	48,680	48,680
	MISC FIXED ASSETS	826,106	-	-	-	826,106	234,072	-	-	234,072	-	292,034	292,034
	TOTAL	23,760,161	-	-	-	23,760,161	8,323,763	-	-	8,323,763	-	17,436,398	17,436,398
	Previous Year	23,760,161	-	-	-	23,760,161	8,323,763	-	-	8,323,763	-	17,436,398	17,436,398

Significant Accounting Policies:

General:

- i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

Revenue Recognition:

- i) Revenue from Interest is recognized on accrual basis.
- ii) Other income comprises of Interest earned on Banks Deposit.

Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed asset is inclusive of freight, duties, taxes and incidental expenses thereto.

Depreciation and Amortization:

- (i) Depreciation is provided on straight-line method on pro-rata basis and at the rates and manner specified in the schedule XIV of the Companies Act, 1956.
- (ii) Preliminary Expenses are amortized over the period of 10 years.
- (iii) Public Issue Expenses are amortized over the period of 10 years.

Taxation:

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred Tax asset and liability is recognized for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Earning Per Share :

The earning considered in ascertaining the company's earning per share comprises net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year

Gratuity:

No provision for gratuity has been made as no employees have put in qualifying period of service for entitlement of this benefit.

SMILAX INDUSTRIES LIMITED

Notes To Financial Statements :

22. Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975. : NIL

23. Auditor's Remuneration:	<u>Current year (Rs.)</u>	<u>Previous year (Rs.)</u>
Audit Fee	Rs. 11,236/-	11,236/-

24. There are no dues to SSI Units outstanding for more than 30 days.

25. Confirmations were obtained from debtors/creditors as to the balances receivables from/payable to them as at year end.

26. As there is no timing difference of depreciation/loss, the provision for deferred income tax liability does not arise as per Accounting Standard 22 (AS 22) issued by the ICAI and hence deferred Income Tax Liability has not been provided.

27. Previous years figures have been regrouped wherever necessary.

28. The figures have been rounded off to the nearest rupee.

SIGNATURES TO NOTES 1 to 28
AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S

SMILAX INDUSTRIES LIMITED

Sd/-
M.V.JOSHI
PARTNER

Sd/-
A.VIJAYAVARDHAN REDDY
MANAGING DIRECTOR

Sd/-
M.SRINKATH
DIRECTOR

Place : Hyderabad
Date : 30-05-2013

SMILAX INDUSTRIES LIMITED
Regd. Off: Kurru Village, Iskapalli Post, Alluru Mandalam,
Nellore-524 315, Andhra Pradesh.

PROXY FORM

Regd. Follo No.....
I/We.....ofin the district of
.....being a
member/member of.....in the district of
.....or failing him.....on my/our behalf at the 19th Annual
General Meeting of the Company to be held on Monday the 30th of September, 2013 at 10.00 A.M at Kurru
Village, Iskapalli Post, Alluru Mandalam, Nellore-524 315, Andhra Pradesh and at any adjournment
thereof.

Signed this.....day of.....2012

Affix
Rs. 1/-
Revenue
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be
deposited at the Registered office of the Company, not less than 48 hours before the meeting.

SMILAX INDUSTRIES LIMITED
Regd. Off: Kurru Village, Iskapalli Post, Alluru Mandalam,
Nellore-524 315, Andhra Pradesh.

ATTENDANCE SLIP

18th Annual General Meeting 30th September, 2013 Reg. Follo No.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 19th Annual General Meeting of the Company at Kurru Village, Iskapalli
Post, Alluru Mandalam, Nellore-524 315, Andhra Pradesh on Monday, the 30th September, 2013.

Member's/Proxy's Name
(in block letters)

Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the entrance of the hall.