

**20th
Annual Report
2013 - 2014**

SMILAX INDUSTRIES LIMITED

COMPANY INFORMATION

Board of Directors

P. Sivamohan Reddy	:	Non Executive Director
M. Srikanth	:	Non Executive Director
D. Sai Satish Kumar	:	Independent Director
Penugonda T.V.M. Suresh	:	Independent Director
Chandaluru Bapanaiah	:	Independent Director

Board Committees

Audit Committee

D. Sai Satish Kumar	- Chairman
Chandaluru Bapanaiah	- Member
P. Sivamohan Reddy	- Member

Remuneration Committee

Chandaluru Bapanaiah	- Chairman
D. Sai Satish Kumar	- Member
Penugonda T.V.M. Suresh	- Member

Stakeholders Relationship Committee

Penugonda T.V.M. Suresh	- Chairman
P. Sivamohan Reddy	- Member

Auditors

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

Registered Office

Kurru Village, Iskappali Post,
Alluru Mandalam, Nellore,
Andhra Pradesh - 524315.

Share Transfer Agent

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

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of the Company will be held on Tuesday the 30th day of September, 2014 at 4.00 PM at Kurru Village, Iskapalli Post, Alluru Mandalam, Nellore-524 315, Andhra Pradesh to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr.Srikanth who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory 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 P.Murali & Associates, Chartered Accountants, Registration No. 007257S 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.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. D.Sai Satish Kumar (DIN No. 00853028), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuing Annual General Meeting.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. P.T.V.M Suresh (DIN No. 02985231), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuing Annual General Meeting.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. C.Bapanaiah (DIN No. 03458286), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuing Annual General Meeting.”

By order of the Board of Directors
For SMILAX INDUSTRIES LIMITED

Place: Nellore
Date : 14-08-2014

Sd/-
DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. Proxy forms in order to be effective must be deposited at the Registered office of the Company not less than 48 hours before the meeting.
3. The Share Transfer Register and the Register of Members of the Company will remain closed from 22-09-2014 to 29-09-2014 (both days inclusive).
4. M/s. Venture Capital and Corporate Investments Private Limited., 12-10-167, Bharat Nagar, Hyderabad-500018, 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. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
6. Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the Attendance slip duly filled in for attending AGM. Copies of Annual Report will not be provided at the AGM.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent enclosing their share certificates to enable consolidation of their shareholdings in one folio.
9. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar & Share Transfer Agents and members holding shares in electronic form may obtain the Nomination form from their respective Depository Participants.
10. Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.

11. As part of the “Green Initiative”, the Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participants unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of the AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

12. **Instructions about Voting:**

The Members are requested to opt for one mode of voting, i.e. either through e-voting or ballot. If a Member casts votes by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Please refer the following detailed instructions for both modes of voting.

A) Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Select the “SMILAX INDUSTRIES LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
If you are a first time user follow the steps given below.
- (vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
DIVIDEND BANK DETAILS	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg.If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id/ folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
 - (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' 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.
 - (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the relevant EVSN for SMILAX INDUSTRIES LIMITED.
 - (xi) 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.
 - (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
 - (xiii) 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.
 - (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- II. The voting period begins on **25-09-2014 (9.00 AM)** and ends on **26-09-2014 (4.00 PM)**. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com
- IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22-09-2014.
- V. **Mrs.N.Vanitha**, Practicing Company Secretary (Certificate of Practice No:10573), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

B) Other Instructions:

- I. Kindly note that the shareholders can opt only one mode of voting i.e either by e-voting or physical mode. If you are opting for e-voting, then cannot vote by physical mode and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
- II. The Scrutinizer will collate the votes downloaded from the e-voting system to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- III. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website and be communicated

- IV. Members may address any query to Mrs.N.Vanitha, Practicing Company Secretary, Tel.No.040-23352185, e-mail address: cs.wynaqua@gmail.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item Nos.4,5 and 6:

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. D.Sai Satish Kumar, Mr. Penugonda T.V.M Suresh and Mr. Chandaluru Bapanaiah, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Nomination and Remuneration Committee and the Board of Directors have recommended appointment of Mr. D.Sai Satish Kumar, Mr. Penugonda T.V.M Suresh and Mr. Chandaluru Bapanaiah as Independent Directors of the Company.

Mr. D.Sai Satish Kumar, Mr. Penugonda T.V.M Suresh and Mr. Chandaluru Bapanaiah, non-executive independent directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there-under for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Copies of the draft letter of appointment of Mr D.Sai Satish Kumar, Mr. Penugonda T.V.M Suresh and Mr. Chandaluru Bapanaiah as Independent Directors setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at **Annexure A** of this Notice.

The Board commends the resolutions in relation to the appointment of these Directors as Independent Directors, for your approval.

Except these Directors, being appointees, none of the Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 4, 5 and 6.

By order of the Board of Directors
For SMILAX INDUSTRIES LIMITED

Sd/-
DIRECTOR

Place: Nellore
Date : 14-08-2014

Annexure A
 Details of Directors seeking appointment/ re-appointment at the Annual General Meeting.
 (Pursuant to Clause 49(V)(E) and 49(V)(G)(i) of the Listing Agreement)

Name of the Director	Mr.M.Srikanth	Mr.D.Sai Satish Kumar	Mr.Penugonda T.V.M.Suresh	Mr. Chadaluru Bapanaiah
Date of Birth	02/ 12/19 70	19/0 9/197 0	05/0 9/196 2	29/0 5/196 0
Date of Appointment	05/04/2012	25/04/2005	25/04/2005	25/04/2005
Relationship with Directors	None	None	None	None
Qualification	B.Com	M.B.A	B.Com	B.Com
Board Membership of other companies as on March 31, 2014 @	1. ESSVI Enterprises (India) Private Limited	1. Millitoons Entertainment Limited	NIL	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a Director as on March 31, 2014				
a) Audit Committee	NIL	1	NIL	NIL
b) Nomination and Remunerations Committee	NIL	1	NIL	NIL
c) Nomination and Remunerations Committee	NIL	1	NIL	NIL
Number of shares held in the Company as on March 31, 2014 #	NIL	NIL	NIL	NIL

Note:

@ This does not include position in foreign companies, position as an advisory board member and position in companies under Section 25 of the Companies Act, 1956 (corresponding to companies under Section 8 of Companies Act 2013) but included private limited companies.
 # Includes shares held jointly with immediate family members.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 20th Annual Report on the business of your Company together with the Audited Accounts for the financial year ended 31st March 2014.

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 Employee), Rules 1975, no employees 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:

During the year under review Mr. A. Vijaya Vardhan Reddy ceased to be the Director(s) of the Company. Pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, Mr. D.Sai Satish Kumar, Mr. Penugonda T.V.M Suresh and Mr. Chandaluru Bapanaiah, Independent Directors of the Company are seeking fresh appointment for five consecutive years commencing from the ensuing Annual General Meeting.

AUDITORS:

The Statutory Auditors of the Company, M/s. P. Murali & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves 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 under review.

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, 2014 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, 2014 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.

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.

Place: Nellore
Date: 14.08.2014

For and on behalf of the Board

**Sd/-
DIRECTOR**

**Sd/-
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 31-03-2014	For the year ended 31-03-2013
Total Income	NIL	NIL
Depreciation	NIL	NIL
Profit (Loss) before Tax	(773,246)	(916,619)
Provision for Tax -FBT	NIL	NIL
Profit (Loss) after Tax	(771,246)	(916,619)
Prior period Adjustment	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.

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.

For and on behalf of the Board

Place: Nellore
Date: 14-08-2014

Sd/-
DIRECTOR

Sd/-
DIRECTOR

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreement)

The company securities are listed on BSE 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 Five Directors, having rich and vast experience with specialized skills in their respective fields. 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 Independent Directors are more than 50% of the total number of Directors.

During the year under review Five Board Meetings were held on 30-05-2013, 14-08-2013, 14-10-2013, 13-11-2013 and 14-02-2014.

Name of the Director	Category	No of Board Meetings during the Year 2013-2014		Other Company's Directorships @	Attendance at last AGM 30-09-2013	No of Memberships held in Committees#
		Held	Attended			
A. Vijayavardhan Reddy §	Managing Director	5	5	1	Yes	Nil
P. Siva Mohan Reddy	Director	5	5	0	Yes	2
Chandaluru Bapanaiah	Independent Director	5	3	0	Yes	1
Penugonda T.V.M. Suresh	Independent Director	5	5	1	No	1
D. Satish Kumar	Independent Director	5	5	1	Yes	1
M. Srikanth	Director	5	4	0	-	-

- @ Excluding Private Limited
- # Only Membership of Audit and Investor Grievances Committees are considered.
- § Ceased to be a Director on 27-06-2014

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:

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 30-05-2013, 14-08-2013, 13-11-2013 and 14-02-2014. The gap between two audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

B. Nomination & Remuneration Committee:

Nomination & Remuneration committee was duly constituted and comprises of Three (3) Non-Executive Directors. The Nomination & Remuneration Committee is authorized, 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. Stakeholder's Relationship Committee:

The composition of the Stakeholder's Relationship Committee is as under:

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

The Committee is empowered to oversee the redressal of Investor's complaints pertaining to share transfer, non-receipt of Annual Reports, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints in accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer to approve the share transfers/transmissions and comply with other formalities in relation thereto. 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, 2013	30 th September, 2013	Kurru Village, Iskapali Post, Alluru Mandalam, Nellore -524 315, Andhra Pradesh.	11.00 AM	No Special Resolution
March 31, 2012	29 th September, 2012	Kurru Village, Iskapali Post, Alluru Mandalam, Nellore -524 315, Andhra Pradesh.	11.00 AM	No Special Resolution
March 31, 2011	30 th September, 2011	Kurru Village, Iskapali Post, Alluru Mandalam, Nellore -524 315, Andhra Pradesh.	11.00 AM	No Special Resolution

ii) During the last three Financial Years no Special / Ordinary Resolution was passed at Extra-ordinary General Meeting.

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, 2013 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 CFO 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, 2014.

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, 2014. 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 the Companies Act, 2013, no directors and promoters are related to each other.

1. 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 on 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, 2014- 4.00 PM
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 1 st 2013 to March 31 st 2014
C. Book Closure	: 22 nd September, 2014 to 29 th September, 2014
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
--------------------------------	--------------

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 2013-2014 at The BSE Limited, trading was:

Months	BSE limited		
	High (Rs.)	Low(Rs.)	Volume
April, 2013	13.45	6.01	4,77,118
May, 2013	5.89	3.94	5,72,933
June, 2013	3.94	3.18	10,24,257
July, 2013	5.90	3.46	18,55,241
August, 2013	6.45	5.34	4,95,989
September,2013	6.25	4.41	14,20,443
October, 2013	7.49	5.70	12,46,086
November, 2013	6.70	5.26	3,97,501
December, 2013	6.30	5.27	4,44,195
January, 2014	6.74	4.90	15,03,802
February, 2014	7.05	5.11	27,51,720
March, 2014	7.50	6.12	22,97,142

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, 2014

Category	No. of Shares held	% of Capital
Indian Promoters	10,29,090	8.37
Banks, Financial institutions, Insurance Companies (Central/State Govt institutions/ Non -Govt. institution)	1,20,459	0.98
Indian Public	95,92,317	77.98
Private Corporate Bodies	11,30,295	9.19
NRI's/OCB's/FCCB's/Clearing Members , others	4,28,239	3.48
Total	1,23,00,400	100.00

J. Dematerialization of shares and liquidity

The Company has made necessary arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on 31st March, 2014, 65.11% 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

Kurru Village, Iskapalli Post, Alluru Mandalam, Nellore – 524 315.

for and on behalf of the Board

Place: Nellore

Date: 14.08.2014

**Sd/-
DIRECTOR**

**Sd/-
DIRECTOR**

CFO CERTIFICATION

I have reviewed the financial statements, read with the cash flow statement of Smilax Industries Limited for the year ended March 31st, 2014 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: 30.05.2014

Sd/-
CFO

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,

The Member's of Smilax Industries Ltd.,

We have read the report of the Board of Directors of Corporate Governance and have examined the relevant records relating to compliance condition of Corporate Governance of Smilax Industries Limited, (the "company") for the financial year ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said company with the concerned Stock Exchange.

The Compliance of condition 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 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 to the explanation 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 future viability of the Company nor of the efficiency or effective with which the management has conducted the affairs of the company

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

Place: Hyderabad
Date: 30-05-2014

Sd/-
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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

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

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

In making those risk assessments, the auditor considers internal 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

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

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

Report on Other Legal and Regulatory Requirements:

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

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of 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 by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect Section 133 of the Companies Act, 2013.
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Hyderabad
Date: 30-05-2014.

**Sd/-
Partner
M. No. 024784**

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 presence have been noticed on such verification.
- (c) The Company has not disposed any part of the Fixed Assets during the year.
- II. (a) The company has no inventory. Hence this clause is not applicable.
- III. (a) The Company has not granted loans secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted loans, the clause of whether the rate of interest & other term 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 & principal amount from parties is not applicable.
- (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 and other terms and conditions on which the loans have been taken from parties listed in the register maintained U/s 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 and principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase fixed assets. 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 explanations 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 are 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.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.

- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- IX. (a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax/sales tax or any statutory dues which have not been deposited on account of any dispute.
- X. The Company has been registered for a period of more than 5 years, and the company has got accumulated losses at the end of the financial year and the company has incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not taken any loans from Banks or Financial Institutions. Hence this clause of repayment of dues to financial Institutions or Banks or Debenture Holders and the defaulted payment therein is not applicable to the company.
- 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, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the company has not obtained any Term Loans. Hence this clause is not applicable.
- XVII. According to the information given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment during the audit period.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company has not issued debentures and hence the applicability of clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

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

Place: Hyderabad
Date: 30-05-2014

Sd/-
Partner

SMILAX INDUSTRIES LIMITED
Balance Sheet as at 31st March, 2014

Particulars	Note No	As on 31/03/2014	As on 31/03/2013
		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	(31,035,458)	(30,262,212)
(3) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	2,187,924	2,187,924
(4) Current Liabilities			
(a) Short-term borrowings	4	2,83,20,585	27,562,010
(b) Trade payables	5	1,709,230	1,709,230
(c) Short-term provisions	6	61,586	50,350
Total		12,42,47,867	12,42,51,302
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	1,74,36,398	1,74,36,398
(ii) Capital work-in-progress		10,64,85,610	10,64,85,610
(b) Non-current investments	8	23,500	23,500
(c) Long term loans and advances	9	2,73,257	2,73,257
(2) Current assets			
(a) Cash and cash equivalents	10	29,102	32,537
Total		12,42,47,867	12,42,51,302

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 SMILAX INDUSTRIES LIMITED

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

Sd/-
PARTNER

Sd/-
DIRECTOR

Sd/-
DIRECTOR

Place : Hyderabad
Date : 30-05-2014

SMILAX INDUSTRIES LIMITED

Profit and Loss statement for the year ended 31st March, 2014

Particulars	Note No	As on	As on
		31/03/2014	31/03/2013
		Rs	Rs
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I +II)		-	-
<i>IV. Expenses:</i>			
Purchase of Stock in trade		-	-
Other operating expenses	11	11,236	11,236
Administrative Expenses	12	7,60,725	904,933
Financial Costs	13	1,285	-
Depreciation and amortization expense	7	-	-
Total Expenses		7,73,246	916,169
V. Profit before exceptional and extraordinary items and tax (III - IV)		(7,73,246)	(916,169)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(7,73,246)	(916,169)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(7,73,246)	(916,169)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations (IX - X)		(7,73,246)	(916,169)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(7,73,246)	(916,169)
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
For SMILAX INDUSTRIES LIMITED

Sd/-
PARTNER

Sd/-
DIRECTOR

Sd/-
DIRECTOR

Place : Hyderabad
Date : 30-05-2014

SMILAX INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014 (Amount in Rs.)

Particulars	Year ended 31/03/2014	Year ended 31/03/2013
A. CASH FLOW FORM OPERATING ACTIVITIES:		
Net profit carried to balance sheet	(773,246)	(916,169)
Adjustments for:		
Depreciation	-	-
Provision for taxes	-	-
Interest and Financial charges	-	-
Operating Profit before working capital changes	(773,246)	(916,169)
Adjustments for (Increase)/ Decrease in operating assets		
Trade Receivables	-	-
Loans & Advances	-	-
Trade Payables	-	-
Provisions	11,236	11,236
Other Current Liabilities	758,575	891,000
Adjustments for Increase /(Decrease) in operating Liabilities	769,811	902,236
Tax paid	-	-
Cash Generated from Operations	(3,435)	(13,933)
NET CASH FLOW FROM OPERATING ACTIVITIES-(A)	(3,435)	(13,933)
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	-	-
Repayment of unsecured loans	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES-(C)	-	-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS(A+B+C)	(3,435)	(13,933)
Cash & Cash Equivalents as at 31st March 12 (Opening Balance)	32,537	46,470
Cash & Cash Equivalents as at 31st March 13 (Closing Balance)	29,102	32,537

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 SMILAX INDUSTRIES LIMITED

Place: Hyderabad
Date: 30-05-2014

Sd/
DIRECTOR

Sd/
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, 2014. 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, 2014 to the member of the company.

for P.MURALI & CO.,
CHARTERED ACCOUNTANTS

Place: Hyderabad
Date: 30-05-2014

Sd/-
PARTNER

NOTE NO. 1 : SHARE CAPITAL

S.NO.	Particulars	As on 31-03-2014	As on 31-03-2013
		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	% of Share Holding	
	Name of Shareholder	FY 2013-14	FY 2012-13
	- Vidavaluru Krishna Mohan Reddy	10,29,090	21,84,090
		8.37	17.76

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	RESERVES AND SURPLUS		
	Negative balance of reserves and surplus account		
	i) Opening Balance - Profit and Loss Account	(3,02,62,212)	(2,93,46,043)
	Add: Transfer from Profit and Loss Account	(7,73,246)	(9,46,169)
	Total Reserves and Surplus	(3,10,35,458)	(3,02,62,212)

NOTE NO. 3 : DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	Opening Deferred tax Liability	21,87,924	21,87,924
	Add:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	-	-
	Deferred Tax Liability/ (Asset) - Net	21,87,924	21,87,924

NOTE NO. 4 : SHORT TERM BORROWINGS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	Short term borrowings		
	a) Loans and advances from other parties		
	Secured	-	-
	Unsecured	2,83,20,585	2,75,62,010
	Total short term borrowings	2,83,20,585	2,75,62,010

NOTE NO. 5 : TRADE PAYABLES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	a) Trade Payables	17,09,230	17,09,230
	Total Trade Payables	17,09,230	17,09,230

NOTE NO. 6 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	a) Others		
	Statutory Liabilities	-	-
	Provision for Expenses - Audit Fee Payable	61,586	50,350
	Total short term provisions	61,586	50,350

NOTE NO. 8 : NON- CURRENT INVESTMENTS

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	Non- Current Investments		
	1) Trade Investments		
	a) Investment in Equity Instrument		
	Quoted		
	SMIFS Capital Markets Limited		
	(1,000 Equity Shares of Rs.10/- each Current Year)	23,500	
	(1,000 Equity Shares of Rs.10/- each Previous Year)		23,500
	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 31/03/2014	As on 31/03/2013
		Rs	Rs
I	Long - term loans and advances:		
	a) Security Deposit		
	Secured	-	-
	Unsecured	2,73,257	2,73,257
	Total Long term loans & advances	2,73,257	2,73,257

NOTE NO. 10 : CASH AND BANK BALANCES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	23,035	24,320
	b) Cash on hand	6,067	8,217
	Total Cash and Cash Equivalents	29,102	32,537

Note numbers to Statement of Profit & Loss**NOTE NO. 11 : OTHER OPERATING EXPENSES**

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	(a) Rates & Taxes (excluding Income Tax)	-	-
	(b) Miscellaneous Expenditure		
	(c) Payment to Auditors:		
	(i) As Auditor	11,236	11,236
	Total Other Operating Expenses	11,236	11,236

NOTE NO. 12 : ADMINISTRATIVE EXPENSES

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	(a) Business Promotion Expenses	7,60,725	9,04,933
	(b) Office Administration Expenses	-	-
	(c) Consultancy Charges	-	-
	Total Administrative Expenses	7,60,725	9,04,933

NOTE NO.13 : FINANCIAL COST

S. No.	Particulars	As on 31/03/2014	As on 31/03/2013
		Rs	Rs
I	(a) Interest Expenses :		
	- Bank Charges	1,285	-
	Total Financial Cost	1,285	-

Note Number : 7
 FIXED ASSETS AS ON 31st MARCH, 2014

Sl. No.	Particulars	Gross Block						Depreciation/Amortization				Net Block as on 31.03.2014	Net Block as on 31.03.2013	
		As on 01.04.2014	Additions during the year	Deletions during the year	As on 31.03.2014	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation	Net Block as on 31.03.2014	Net Block as on 31.03.2013			
	LAND	69,97,460	-	-	69,97,460	-	-	-	-	-	-	-	69,97,460	69,97,460
	BUILDING	40,88,569	-	-	40,88,569	12,56,699	-	-	12,56,699	-	-	-	28,31,870	28,31,870
	POND CONSTRUCTION	64,74,538	-	-	64,74,538	20,36,058	-	-	20,36,058	-	-	-	44,38,480	44,38,480
	PLANT & MACHINERY	48,62,020	-	-	48,62,020	21,74,426	-	-	21,74,426	-	-	-	26,87,594	26,87,594
	FURNITURE & FIXTURES	3,02,359	-	-	3,02,359	1,76,852	-	-	1,76,852	-	-	-	1,25,507	1,25,507
	OFFICE EQUIPMENT	26,554	-	-	26,554	11,981	-	-	11,981	-	-	-	14,573	14,573
	VEHICLES	4,82,555	-	-	4,82,555	4,33,675	-	-	4,33,675	-	-	-	48,880	48,880
	MISC FIXED ASSETS	5,26,106	-	-	5,26,106	2,34,072	-	-	2,34,072	-	-	-	2,92,034	2,92,034
	TOTAL	2,37,60,161	-	-	2,37,60,161	63,23,763	-	-	63,23,763	-	-	-	1,74,36,398	1,74,36,398
	Previous Year	2,37,60,161	-	-	2,37,60,161	63,23,763	-	-	63,23,763	-	-	-	1,74,36,398	1,74,36,398

Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2014.

(A) Summary of Significant Accounting Policies:

a. General:

- (i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- (iii) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

b. Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

c) Tangible and Intangible Assets:

i) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets.

ii) Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d) Investments:

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

e) Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer which generally coincides with the delivery of goods to customer Commission income is due on rendering of services.

f) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources.
Contingent Liabilities are not recognized but are disclosed in the notes.
Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes To Financial Statements

- 14 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-

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Auditor's Remuneration:	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee	11,236	11,236

- 16 There are no dues to SSI Units outstanding for more than 45 days.
- 17 Confirmations were obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.
- 18 As there is no timing difference of depreciation/loss, the provision for deferred tax liability does not arise as per Accounting Standard 22 (AS 22) issued by ICAI and hence deferred income tax liability has not been provided.
- 19 Previous year's figures have been regrouped wherever necessary.
- 20 The figures have been rounded off to the nearest rupee.

SIGNATURES TO SCHEDULES 1 To 20

AS PER OUR REPORT OF EVEN DATE

**For And On Behalf Of The Board
For SMILAX INDUSTRIES LIMITED****FOR P. MURALI & CO.,
CHARTERED ACCOUNTANTS
FRN: 007257S****Sd/-
PARTNER****Sd/-
DIRECTOR****Sd/-
DIRECTOR****Place : Hyderabad
Date : 30-05-2014**

Smilax Industries Limited

CIN: L45209AP1994PLC017131

Registered Office : Kurru Village, Iskappali Post, Alluru Mandalam, Nellore, Andhra Pradesh- 524315
E-mail : cs.wynaqua@gmail.com

20th ANNUAL GENERAL MEETING

ADMISSION SLIP

DATE	VENUE	TIME
Tuesday , 30 th September, 2014	Kurru Village, Iskappali Post, Alluru Mandalam, Nellore- 524 315, AP.	4.00 P.M.

I certify that I am a Member / Proxy for the Member holding _____ shares.

Please () in the box

Member Proxy

Name of the Proxy in Block Letters
attending

Signature of Member / Proxy

NOTES : i) Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Admission Slip which should be signed and deposited before entry into the venue .

ii) Duplicate Admission Slip will not be issued at the venue.



ELECTRONIC VOTING

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 20th AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note (12) to the Notice dated 14th August, 2014, convening the AGM for the procedure with respect to e-voting.

Smilax Industries Limited

CIN: L45209AP1994PLC017131

Registered Office : Kurru Village, Iskappali Post, Alluru Mandalam, Nellore, Andhra Pradesh- 524315

E-mail : cs.wynaqua@gmail.com

20th ANNUAL GENERAL MEETING

PROXY FORM

Serial No. :

1. Name(s) of Member(s) :
including joint holders, if any
2. Registered :
address of the
sole / first named
Member
3. E-mail ID :
4. DP ID No. & :
Client ID No. / :

I / We, being the Member(s) of _____ shares of Diligent Industries Limited, hereby appoint

(1) Name : _____ Address : _____

E-mail ID : _____ Signature : _____ or failing him

(2) Name : _____ Address : _____

E-mail ID : _____ Signature : _____, or
failing him

(3) Name : _____ Address : _____

E-mail ID : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 20th Annual General Meeting (AGM) of the Company to be held on 30th September, 2014 at 4.00 p.m. at Kurru Village, Iskappali Post, Allur Mandalam, Nellore-524 315, Andhra Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Opt iona l ()	
		For	Ag a inst
Ord inary Bus iness			
1	Adoption of Accounts for the financial year ended 31 st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	Appointment of Mr. M.Srikanth who retires by rotation and offers himself for re-appointment.		
3	Appointment of M/s. P.Murali & Associates, Chartered Accountants, as Auditors, 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.		
Special Bus iness			
4	Appointment of Mr.D.Sai Satish Kumar as an Independent Director for a period of five years with effect from the date of this AGM.		
5	Appointment of Mr. Penugonda T.V.M Suresh as an Independent Director for a period of five years with effect from the date of this AGM.		
6	Appointment of Mr. Chandaluru Bapanaiah as an Independent Director for a period of five years with effect from the date of this AGM.		

Signed this _____ day of _____ 2014. Signature of shareholder : _____

Affix Revenue Stamp

NOTE: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM i.e. by 28th September, 2014.

If undelivered please return to:

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