

SILVER OAK (INDIA) LIMITED 2010-2011

TWENTY SIXTH ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

1. **Shri Rajeev Dhody** - Executive Director
2. **Shri Bhupendra Singh** - Whole Time Director
3. **Shri Santosh Kumar Singh** - Director
4. **Shri Chanchal Rai** - Director

AUDITORS

M/S O. T. Gandhi & Co.,
Chartered Accountants,
Indore - 452 001

REGISTERED OFFICE

Plot No.110,
Sector-I, Industrial Area,
Pithampur, Dist. Dhar (M.P.) - 454 775

INDORE OFFICE

102, 1st Floor,
AA-14, Scheme No. 54, Vijay Nagar,
Opposite Satya Sai School,
A. B. Road,
Indore - 452 010 (M.P.)

BANKERS

State Bank of Travancore,
Palasia Branch,
Indore - 452 001

SILVER OAK (INDIA) LIMITED

Regd. Office : Plot No.110, Sector-I, Industrial Area,
Pithampur, Dist . Dhar (M.P.) 454 775

SILVER OAK (INDIA) LIMITED 2010-2011

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Thursday, 15th day of September, 2011 at 11.00 A.M. at the Registered Office of the Company at Plot No.110, Industrial Area, Sector-I, Pithampur- 454 775, Dist. Dhar (M.P.) to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
02. To reappoint a Director in place of Shri Santosh Kumar Singh, director of the Company who retires by rotation and being eligible offered himself for re-appointment.
03. 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 O.T. Gandhi & Company Chartered Accountants, be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

By Order of the Board of Directors

**Bhupendra Singh
Whole Time Director**

Place : Pithampur(M.P.)

Date : 07th July, 2011

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 13th September, 2011 to Thursday, 15th September, 2011 (Both days inclusive).
4. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting. For shares held in dematerialised form, the DP ID and Client ID numbers should be indicated in the Attendance Slip.
5. Members are requested to:
 - A) Quote their folio number(s) in all correspondence with the Company.**
 - B) For shares held in physical form, any change in address/other details may be intimated to the Company/ Share Transfer Agent by quoting the Folio Number(s). For shares held in demat form, change in address/ other details may be intimated directly to the Members' DP.**
6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of their Folios.

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7. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this report, with M/s. Ankit Consultancy Private Limited / Investors Service Department of the Company. The Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only. Even after registering for E-Communication the Shareholders of the Company are entitled to receive such communication in physical form, upon request.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Ankit Consultancy Private Limited / Investors Service Department.
9. Reappointment of Director:

Shri Santosh Kumar Singh, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. He has about 15 years of experience in Liquor Market and depth knowledge of Finance, Accounts and General Management.
9. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
10. Shareholders seeking any information with regard to accounts requested to write to the Company at the earliest so as to enable the management to keep the information ready.

By Order of the Board of Directors

**Bhupendra Singh
Whole Time Director**

Place : Pithampur(M.P.)

Date : 07th July, 2011

SILVER OAK (INDIA) LIMITED 2010-2011

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 27th Annual Report, together with Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS:

	31 st March 2010-11	(Rs.in Lacs) 31 st March 2009-10
Sales and other Income	672.24	726.45
Profit/(Loss) before Depreciation	43.09	43.20
Interest	5.16	4.99
Depreciation	8.69	7.11
Profit/(Loss) before Tax	34.39	36.08
Less: Provision for Tax	4.36	14.28
Net Profit/(loss) for the year	30.03	21.80
Profit/(Loss) brought forward from previous year	(46.29)	(68.09)
Balance carried to Balance Sheet	(16.26)	(46.29)

DIVIDEND:

The Company has earned a Net Profit of Rs. 30.03 Lacs during the Financial Year 2010-11 but in view of the carry forwarded losses your directors have decided not to recommend any dividend for the year ended 31st March, 2011.

OPERATING RESULTS:

During the financial year under review, your Company achieved a production of 158318 cases of Indian Made Foreign Liquor (IMFL) (172,573 cases in 2009-10) and sold 152398 cases (169003 cases in 2009-10) of IMFL generating a net revenue of Rs.658.85 lakhs (Rs. 710.37 lakhs in 2009-10).

Your Company has incurred a net profit of Rs. 30.03 Lacs for the financial year ended 31st March, 2011 as against the profit of 21.80 lacs for the financial year ended 31st March, 2010, after taking into account interest, depreciation, prior period adjustments and exceptional items.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Industry Structure & Development and Outlook

Indian Made Foreign Liquor (IMFL) is "state subject" and as such every State has its own policies in respect of this industry. Madhya Pradesh, the state in which the company operates, has its own policy, both for manufacture as well as for marketing/distribution. The industry is expected to achieve average annual growth and many new players are expected to be stepping into the industry.

B) Opportunities & Threats, Risks & Concerns

The Company's strength is built around domestic marketing network. The growth of the industry provides the necessary opportunities for the company to grow. However, the industry is under constant pressure due to steep competition from unorganized sector and the industrial scenario in the nearby area.

C) Internal Controls and their adequacy

The company has adequate internal control systems, commensurate with the size and operations of the company. The scope of the internal audit is to ensure the control systems established by the management are correctly implemented and to suggest any additional changes required to strengthen the existing systems. These Systems and procedure are reviewed at regular intervals through internal audits, statutory audits and audit committee.

D) Human Resource and Industrial Relations

Industrial relations continue to remain peacefully at the factory and other offices of the Company and all the employees are working with the company for a common objective. Industrial relations of the company were cordial during the year.

CAUTIONARY STATEMENT:

The statement in this report is based on the experience and information available to the company in its businesses and assumptions with regard to economic conditions, Government and regulatory policies. The performance of the company is dependent on these factors. It may be materially influenced by various factors including change in economic conditions, government regulations, tax laws and other incidental factors, which are beyond the company's

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control, affecting the views expressed in or perceived from this report.

DIRECTORS:

Shri Santosh Kumar Singh, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Your Directors recommend the appointment and re-appointment of the aforesaid Directors.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the annual accounts for the year ended March 31, 2011, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (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 a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- (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 of the Company on a 'going concern' basis.

FIXED DEPOSITS:

The Company has not accepted any deposits from public during the year under review.

PARTICULARS OF EMPLOYEE:

There are no employees whose particulars are required to be shown in terms of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

AUDITORS:

M/s. O.T. Gandhi & Co., Chartered Accountants, Indore, Statutory Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting, and is eligible for re-appointment. The Company has received their consent under section 224(1B) of the Companies Act, 1956 for such re-appointment.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

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

Information in respect of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo pursuant to provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is Annexure "A" which forms part of this Report.

LISTING OF EQUITY SHARES ON STOCK EXCHANGES:

The Company's shares are listed in the following Stock Exchanges:

1. The Stock Exchange, Mumbai.
2. The M. P. Stock Exchange, Indore.
3. The Delhi Stock Exchange Association, Delhi.
4. The Madras Stock Exchange Ltd., Chennai.
5. The Ahmedabad Stock Exchange, Ahmedabad.

CORPORATE GOVERNANCE:

A report on Corporate Governance along with Auditors Certificate is annexed herewith.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their appreciation for the confidence reposed and co-operation extended to the Company by the Bankers of the Company, State Bank of Travancore, other Banks, Central and State Government Authorities, Business Associates, the family of Shareholders and others.

Your Directors also wish to place on record their appreciation for the dedicated and hard work put in by the Officers, Employees and Other Staff Members, at all levels.

By Order of the Board of Directors

Director

Director

Place : Pithampur (M.P.)

Date : 07th July, 2011

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ANNEXURE-A

Information under Section 217(1)(e) read Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors Report for the year ended 31st March, 2011.

FORM "A"

CONSERVATION OF ENERGY:

A. Electricity Consumption:

1. Electricity	Current Year 2010-2011	Previous Year 2009-2010
(a) PURCHASED:		
(i) Units Purchased :	95201	89882
(ii) Total Amount (Rs.) :	603595	534032
(iii) Power cost per unit (Rs.) :	6.34	5.94
(b) OWN GENERATION: Through D.G.Set	NIL	NIL
(i) Production in Cases :	158318	172573
(ii) Units consumption per case :	0.60	0.52
(iii) Cost of power per case (Rs.) :	3.81	3.09

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, RESEARCH AND DEVELOPMENT:

- (i) Specific Areas in which R&D : The Company is engaged in Carried out by the Company bottling of Liquor for which and benefits derived as a technology has established Result thereof in several years. Therefore, no further research is being carried out.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	Current Year	Previous Year
(i) Earnings :	NIL	NIL
(ii) Outgo (Rs.) :	NIL	NIL

By Order of the Board of Directors

Place : Pithampur(M.P.)

Date : 07th July 2011

Director Director

**CORPORATE GOVERNANCE
REPORT FOR THE FINANCIAL YEAR 2010-11
“ANNEXURE-B”**

1. A brief statement on Company’s Philosophy on Code Governance:

The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stake holder’s value. The Company’s philosophy on good corporate governance envisages a combination of business practices that results in enhancement of the value of the company to the shareholders and simultaneously enable the company to fulfill its obligations to other stakeholders such as customers, employees, financiers and to the society at large. The Company firmly believes that such practices are founded upon the core values of transparency, professionalism, empowerment, equity and accountability.

The Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation.

2. Board of Directors:

As on 31st March, 2011 the Board comprised of Four Directors, two of whom are Executive and remaining two are Independent Directors (NED). The Board constitutes 50% of the Directors who are Non Executive Directors.

Table 1

Director	Category	No. of Director-ships *	Number of Membership of the Board Committees	No. of Board Committees for which Chairperson
Shri Rajeev Dhody	ED	01	0	0
Shri Bhupendra Singh	WTD	01	3	0
Shri Santosh Kumar Singh	Non Executive and Independent Director	01	3	0
Shri Chanchal Rai	Non Executive and Independent Director	01	3	3

* Excludes directorship of Companies other than Public Limited and Foreign Companies.

Abbreviations: MD - Managing Director, WTD – Whole Time Director, ED - Executive Director, NED- Non-executive Director, I - Independent.

3. Board Procedure:

Board Meetings:

During the financial year 2010-11 the Board of Directors met 5 (Five) times viz. 30.04.2010, 14.08.2010, 02.09.2010, 10.11.2010 and 10.02.2011.

The details of the Board meetings held during the financial year 2010-11 are given below:

Directors	Number of Board Meeting held	Number of Board Meetings Attended	Attendance Last AGM
Shri Rajeev Dhody	5	5	Yes
Shri Bhupendra Singh	5	5	Yes
Shri Santosh Kumar Singh	5	5	Yes
Shri Chanchal Rai	5	5	Yes

4. BOARD COMMITTEES:

a. Audit Committee:

ii. Terms of Reference

The Audit Committee has been mandate with the same terms of reference as specified in clause 49 of the listing Agreement with stock Exchange and also covers all the aspects stipulated under Section 292A of the Companies Act, 1956. The Chairman of the Audit Committee has attended the last Annual General Meeting.

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ii. Composition, Name of Members and Chairman

The Audit Committee consists of three directors in which Majority of independent Directors. During the financial year ended 31.03.2011 Five Meetings were held on 30.04.2010, 14.08.2010, 02.09.2010, 10.11.2010 and 10.02.2011. The composition of the audit committee and the attendance of each director at these meetings are given below:

Name of the Director	Number of Meetings attended
Shri Chanchal Rai	5
Shri Santosh Kumar Singh	5
Shri Bhupendra Singh	5

All the members of the Audit Committee have financial, accounting and marketing knowledge beside the other areas. The Audit Committee meetings are also attended by representatives of Auditors of the Company.

b. Shareholders Committee/Investor Grievances Committee:

The Investors' Redressal Committee of the Board is empowered to oversee the redressal of shareholders'/ investor complaints/grievances pertaining to share transfers/non receipt of annual reports, dividend payment, issue of duplicate certificates, transmissions of shares and other related complaints.

The Committee also reviews the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. It also monitors the implementation and compliance of the Company's code of conduct for prevention of insider trading in securities.

During the year under review, four meetings of the Committee were held. Attendance of Members at these meetings was as under:

Name of the Director	Number of Meetings attended
Shri Chanchal Rai	5
Shri Santosh Kumar Singh	5
Shri Bhupendra Singh	5

During the year company has not received any complaint from the Shareholders, which is remarkable and showing the transparency and fairness in the Company's working.

The Share Transfer and Shareholders/Investor Grievances Committee consist of majority of Independent Directors. It deals with the matters of approval of transfer and transmission of equity shares, issue of duplicate certificates, matters relating to Dematerialization of shares and shareholders related issues.

There were periodical meetings of the Committee. There were no shareholder's complaints received during the year 2010-11 and have left unattended at the end of the year.

C. Remuneration Committee:

The members of the Remuneration Committee are:

Name of the Director	Number of Meetings attended
Shri Chanchal Rai	2
Shri Santosh Kumar Singh	2
Shri Bhupendra Singh	2

The Remuneration Committee is responsible for setting the remuneration policy and remuneration packages for the Executive Directors and for maintaining an awareness of the overall remuneration of senior management within the Group.

During the year under review, two meetings of the Committee were held 02.09.2010 and 10.02.2011

5. ANNUAL GENERAL MEETINGS:

a. Details of the location and time for last three Annual General Meetings

Year	Date	Location of Meeting	No. of Special Resolution(s)
2009-2010	30th September 2010	Regd Office	1
2008-2009	30th September, 2009	Regd Office	1
2007-2008	30th September, 2008	Regd Office	1

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6. DISCLOSURES:

- a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

- b) There are no instances of non-compliance by the Company and no penalties, strictures etc. imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

7. MEANS OF COMMUNICATION:

The yearly and quarterly financial results of the Company are, in compliance of Clause 41 of the Listing Agreement, published in the (English edition) and (Hindi edition), local vernacular news editions at the place where the registered office of the Company is situated.

The Annual Report is posted individually to all the members entitled to receive a copy of the same.

8. GENERAL SHAREHOLDER INFORMATION

- (a) Annual General Meeting : Thursday, 15th September, 2011
Day, date, time & Venue : at 11.00 a.m. at Regd. Office at
Plot no. 110, Sector - I, Indst.
Area, Pithampur, Dist. Dhar(M.P.)
- (b) Book Date :
Book Closure Date for : Tuesday, 13th September, 2011
Annual General Meeting : to Thursday, 30th September, 2011
(Both days inclusive).

Distribution of shareholdings as on 31st March, 2011

Holding value in Rs.	Shareholders		Shares amount	
	Number	%	Share amount in Rs.	% of Shares
1 – 5000	181	55.69	681500	2.79
5001 – 10000	97	29.85	888200	3.63
10001 – 20000	15	4.62	262000	1.07
20001 – 30000	8	2.46	207000	0.85
30001 – 40000	4	1.23	160000	0.65
40001 – 50000	1	0.31	47000	0.19
50001 – 100000	1	0.31	56000	0.23
100001 and above	18	5.54	22165300	90.59
Total	325	100%	24,46,7000	100%

Categories of Shareholders as on 31st March, 2011

Category	No. of Folios	Shares held (Nos.)	% of holdings
Mutual Funds & Unit Trust of India	-	-	-
Financial Institutions/Banks	-	-	-
Insurance Companies	-	-	-
Foreign Institutional Investors	-	-	-
Bodies Corporate	7	78000	3.19
NRIs/Foreign Bodies/Foreign Nationals	-	-	-
Directors and their Relatives	6	1129570	46.17
Resident Individuals & Others	312	1239130	50.64

SILVER OAK (INDIA) LIMITED 2010-2011

Top 10 Shareholders as on 31st March, 2011 (Other than promoters)

Sr. No.	Name	Holding	%
1.	Curveen Kaur Bhatia	122000	4.99
2.	Harminder Singh Bhatia	121740	4.98
3.	Sunayana Singh	120340	4.92
4.	Ram Kaur Bhatia	119300	4.88
5.	Raghvendra Pratap Singh	119200	4.87
6.	Ajay Singh	117780	4.81
7.	Jasleen Kaur Bhatia	105540	4.31
8.	Arvind Kumar Singh	101710	4.16
9.	Delstar fincap Limited	72700	2.97
10.	Prakash C. Sodani	49900	2.04
Total			

(c) **Listing on Stock Exchanges** : 1.The Stock Exchange, Mumbai.
2.The M.P.Stock Exchange, Indore.
3.The Delhi Stock Exchange Association, Delhi.
4.The Madras Stock Exchange Ltd., Chennai.
5.The Ahmedabad Stock Exchange, Ahmedabad.

(d) **Stock Code** : For BSE :- 531635
Demat ISIN Number:- INE870J01019

Share Price Data

The monthly high and low prices and volumes of shares of the Company at Bombay Stock Exchange Limited (BSE) for the year ended 31st March, 2011 are as under:

Month	BSE		
	High	Low	Volume
Apr-10	-	-	-
May-10	-	-	-
June-10	-	-	-
July-10	-	-	-
Aug-10	13.67	12.4	500
Sep-10	14.35	14.35	500
Oct-10	-	-	-
Nov-10	15	15	100
Dec-10	14.5	14.5	100
Jan-11	-	-	-
Feb-11	-	-	-
Mar-11	-	-	-

Source: BSE website

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in shares of the Company on the respective Stock Exchange.

(e) Registrar and Transfer Agents : M/s Ankit Consultancy Private Limited
202, Alankar Chamber, A. B. Road, Indore - 452 001

(f) Share Transfer System : The shares lodged for transfer in physical form are processed and the share certificates returned after transfer within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

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- g) Registered Office & Plant Location : Plot No.110, Sector-I, Industrial Area,
Pithampur, Dist. Dhar (M.P.)
- (h) Dedicated Email ID for the Investor : For the convenience of our investor, the company has
designated an exclusive email id for investor
i.e. ***silveroak_indore@hotmail.com***
- (i) Address for correspondence : 102, 1st Floor, AA-14, Scheme No. 54, Vijay Nagar,
Opposite Satya Sai School, A. B. Road, Indore - 452 010 (M.P.)

By Order of the Board of Directors

Director

Director

Place: Pithampur(M.P.)

Date : 07th July, 2011

SILVER OAK (INDIA) LIMITED 2010-2011

CERTIFICATE ON CORPORATE GOVERNANCE CERTIFICATE

I have reviewed the financial results and the cash flow statement of Silver Oak (India) Limited ('the Company') for the financial year ended 31st March, 2011, and certify that:

- (a) These results and statements, to the best of my knowledge and belief:
 - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which I am aware, and the steps taken and proposed to be taken to rectify these deficiencies.
- (d) I have also indicated to the Auditors and the Audit committee:
 - (i) Significant changes in the internal controls with respect to financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) To the best of my knowledge and belief, there are no instances of fraud involving either the Management or employees having a significant Role in the Company's internal control systems with respect to financial reporting.

For Silver Oak (India) Limited

Bhupendra Singh
Whole Time Director

7th July, 2011

ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2011, DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Bhupendra Singh, Whole Time Director of Silver Oak (India) Limited (The Company) hereby declares that, to the best of my information, all the Board Members & Senior Management personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Company for the Board members and senior management.

For Silver Oak (India) Limited

Bhupendra Singh
Whole Time Director

7th July, 2011

SILVER OAK (INDIA) LIMITED 2010-2011

AUDITOR'S CERTIFICATE

**The Members of
Silver Oak (India) Limited,
INDORE**

We have examined the compliance of conditions of corporate governance procedure implemented by Silver Oak (India) Limited for the year ended 31st March, 2011 as stipulated in clause 49 of Listing agreement of the said Company with the Stock Exchange in India.

The compliance of the condition of corporate governance is the responsibility of the mangement. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opionon on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement (s) with Stock Exchanges.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share holders / Investors Grievances Committee.

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

**For O. T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS
FRN No. 001120C**

**(Sameep Gandhi)
PARTNER
M.NO. 411107**

**PLACE : INDORE
DATE : 7th July 2011**

SILVER OAK (INDIA) LIMITED 2010-2011

AUDITOR'S REPORT

**The Members of
Silver Oak (India) Limited,
INDORE**

We have audited the attached Balance Sheet of Silver Oak (India) Limited, Indore as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimateds made by management , as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

(1) As required by the Companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

(2) Further to our comments in the annexure referred to above, we report that :

- (A) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (B) In our opinion , proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
- (C) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
- (D) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
- (E) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.

- (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and
- (ii) In the Profit and Loss account of the profit of the Company for the year ended on that date.
- (iii) In the case of the Cash Flow Statement of the cash flow for the year ended on that date.

PLACE : **INDORE**
DATE : **07th July 2011**

For O.T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS
FRN No. 001120C

(Sameep Gandhi)
PARTNER
M.No. 411107

SILVER OAK (INDIA) LIMITED 2010-2011

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 thereof)

Annexure referred to in paragraph 3 of our report of even date :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) None of the substantial part of fixed assets has been disposed off during the year.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured to / from companies, firms or parties covered in the register maintained under section 301 of the Companies Act , 1956.
(b) The company has taken loan secured or unsecured from any party covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, these transactions have been made at prices, which are reasonable having regard to prevailing market price at the relevant time.
6. The company has not accepted any deposit from the public and hence directives issued by the reserve bank of India, the provision of section 58 A and 58 AA of the companies act 1956 and Rules framed there under are not applicable for the year under audit.
7. The company has a system of internal audit which, in our opinion, is commensurate with its size and nature of it business.
8. According to the information and explanations given to us, we are of the opinion that no cost records maintenance has been prescribed by the Central Govt. under Section 209(1) (b) of the Companies Act. 1956.
9. (a) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, investor education fund, employees state insurance, income tax, wealth tax, custom duty, excise duty, cess and any other statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us, the following dues of M.P. Excise duty penalty have not been deposited by the company on account of dispute :

Name of the status	Nature of the dues	Amount (In Rs.) Amount relates	Period to which the dispute is pending	Forum where
M.P. Excise Act 1915	Duty	7,03,125.00	2010-2011	Revenue Board, M.P.
M.P. Excise Act 1915	Penalty	50,000.00	2010-2011	Revenue Board, M.P.

SILVER OAK (INDIA) LIMITED 2010-2011

10. The company has accumulated losses less than 50% of its net worth at the end of financial year. The company has not incurred any cash loss in the current financial year and immediately preceding previous financial year covered by our audit.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution and banks.
12. According to the information and explanations given to us, the company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the company is not a Nidhi / Mutual benefit Fund / Society, the reporting requirement under point no. (xiii) are not applicable to the company.
14. The Company is not dealing or trading in shares, security, debenture and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from the banks and financial institutions.
16. In our opinion, there were no term loan obtained by company in the preceding year hence clause 16 not applicable.
17. According to the information and explanations given to us and on an overall examination of the Books of Accounts and Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the companies Act, 1956.
19. The company has not issued debentures to raise the funds.
20. The company has not raised any funds by Public Issue during the year.
21. According to the information and explanations given to us, we report that there is no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE : **INDORE**

DATE : **07th July, 2011**

For **O.T. GANDHI & COMPANY**

CHARTERED ACCOUNTANTS

FRN No. 001120C

(Sameep Gandhi)

PARTNER

M No. 411107

SILVER OAK (INDIA) LIMITED 2010-2011**BALANCE SHEET AS AT 31st MARCH , 2011**

SCHEDULE		31-03-2011	31-03-2010
[I]. SOURCES OF FUNDS			
1. SHARE HOLDER'S FUNDS			
(a) Capital	1	24,467,000.00	24,467,000.00
(b) Reserve & Surplus	2	<u>7,838,945.45</u>	<u>7,838,945.45</u>
		32,305,945.45	32,305,945.45
2. LOAN FUNDS			
(a) Secured Loan	3	5,573,309.21	6,132,598.79
3. DEFERRED TAX LIABILITY			
		1,399,792.77	1,398,975.77
TOTAL : Rs.		<u><u>39,279,047.43</u></u>	<u><u>39,837,520.01</u></u>
[II]. APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	4	22,846,434.96	22,144,935.96
(b) Less : Depreciation		<u>8,340,354.61</u>	<u>7,470,830.93</u>
Net Block		14,506,080.35	13,232,129.03
3. CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	5	19,112,355.00	15,843,018.00
(b) Sundry Debtors	6	10,674,008.00	13,113,060.00
(c) Cash and Bank Balance	7	452,877.92	280,350.89
(d) Loans and Advances	8	<u>2,697,271.59</u>	<u>2,787,448.80</u>
		32,936,512.51	32,023,877.69
Less : Current Liabilities & Provisions			
(a) Current Liabilities	9	9,290,719.97	10,840,942.97
(b) Provisions	10	<u>498,707.00</u>	<u>648,884.00</u>
		9,789,426.97	11,489,826.97
NET CURRENT ASSETS		23,147,085.54	20,534,050.72
5. PROFIT & LOSS ACCOUNT		1,625,881.54	4,629,364.26
TOTAL Rs.		<u><u>39,279,047.43</u></u>	<u><u>39,837,520.01</u></u>
NOTES ON ACCOUNTS	18		
ABSTRACTS TO ACCOUNTS	19		

The Schedule & notes on accounts referred to herein form an integral part of Accounts

AS PER OUR REPORT OF EVEN DATE ATTACHED

For O. T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS
FRN No. 001120C

FOR AND ON BEHALF OF THE BOARD

(Sameep Gandhi)
PARTNER
M. No. 411107

DIRECTOR DIRECTOR

PLACE : INDORE
DATE : 7th July, 2011

SILVER OAK (INDIA) LIMITED 2010-2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2011

SCHEDULE	FOR THE YEAR ENDED FOR THE YEAR ENDED		
	31-03-2011	31-03-2010	
INCOME			
Sales	11	66,411,491.00	72,586,891.00
Other Income	12	812,364.00	58,085.00
Increase (Decrease) in Stock	13	2,472,384.00	1,840,605.00
TOTAL Rs.		69,696,239.00	74,485,581.00
EXPENDITURE			
Materials	14	30,132,795.00	34,594,015.35
Manufacturing, Admn. & Selling Exp.	15	31,406,530.71	32,460,849.26
Employees Remuneration & Welfare	16	3,178,642.00	2,477,599.00
Financial Expenses	17	669,447.89	633,016.88
Depreciation		869,523.68	711,348.00
TOTAL Rs.		66,256,939.28	70,876,828.49
Profit / (Loss) before Taxation		3,439,299.72	3,608,752.51
Provision for Taxation			
Income Tax		435,000.00	550,000.00
Deferred Tax		817.00	878,900.77
PROFIT / (LOSS) AFTER TAXATION		3,003,482.72	2,179,851.74
Profit / (Loss) for the year		3,003,482.72	2,179,851.74
Brought Down from Previous Year		(4,629,364.26)	(6,809,216.00)
Less : Previous Year Adjustments		-	-
PROFIT / (LOSS) CARRIED TO BALANCE SHEET		(1,625,881.54)	(4,629,364.26)
NOTES ON ACCOUNTS	18		
ABSTRACT TO ACCOUNTS	19		

The Schedule & notes on accounts referred to herein form an integral part of Accounts

AS PER OUR REPORT OF EVEN DATE ATTACHED

For O. T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS
FRN No. 001120C

FOR AND ON BEHALF OF THE BOARD

(Sameep Gandhi)
PARTNER
M. No. 411107

DIRECTOR DIRECTOR

PLACE : INDORE
DATE : 7th July 2011

SILVER OAK (INDIA) LIMITED 2010-2011

<u>SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011</u>		
PARTICULARS	31-03-2011	31-03-2010
<u>SCHEDULE '1' OF SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
42,50,000 Equity Shares of Rs.10/- Each	42,500,000.00	42,500,000.00
<u>ISSUED</u>		
38,60,000 Equity Shares of Rs.10/- each (Previous Year 38,60,000 equity Shares of Rs.10/- each)	38,600,000.00	38,600,000.00
<u>SUBSCRIBED AND PAID-UP CAPITAL</u>		
24,46,700 equity shares of Rs.10/- each fully paid up. (Previous year 24,46,700 equity shares of Rs.10/- each).	24,467,000.00	24,467,000.00
TOTAL Rs.	<u>24,467,000.00</u>	<u>24,467,000.00</u>
<u>SCHEDULE '2' OF RESERVE & SURPLUS</u>		
General Reserve	1,054,945.45	1,054,945.45
Capital Reserve	6,784,000.00	6,784,000.00
Note : Allotment money forfeited @ Rs.7.50/- per share on 26600 shares and @ Rs.5/- per share on 1316900 shares.		
TOTAL Rs.	<u>7,838,945.45</u>	<u>7,838,945.45</u>
<u>SCHEDULE '3' OF SECURED LOANS</u>		
1. From State Bank of Travancore, CC Loan	4,823,709.97	4,907,332.47
2. From State Bank of Travancore, Car Loan	187,831.69	392,516.94
3. From HDFC Bank , Car Loan	561,767.55	832,749.38
TOTAL Rs.	<u>5,573,309.21</u>	<u>6,132,598.79</u>
Note : 1 Secured against Hypothication of all stocks of Raw Material, Packing Material Stock - in - process, Finished Goods and Book Debts and other Current Assets of the Company and are collaterally secured against Equitable Mortgage of the existing land & Building of the Company and Hypothication of Plant & Machinery and personally Guaranteed by the one of the pramotor of the Company and his family members.		
2 Secured against Hypothication of Car		
3 Secured against Hypothication of Car		
<u>CURRENT ASSETS LOANS & ADVANCES</u>		
(As certified by the Management)		
<u>CURRENT ASSETS</u>		
<u>SCHEDULE '5' OF INVENTORIES</u>		
(At Cost or net realisable value whichever is lower and as certified by the management).		
Finished Goods	12,105,468.00	10,100,083.00
Raw Material	2,060,658.00	1,962,048.00
Packing Material	3,725,783.00	2,947,536.00
Essence	8,688.00	206,893.00
Consumable Goods	247,722.00	129,421.00
Work - in - Process	964,036.00	497,037.00
TOTAL Rs.	<u>19,112,355.00</u>	<u>15,843,018.00</u>

SILVER OAK (INDIA) LIMITED 2010-2011

SCHEDULE "4" OF FIXED ASSETS FOR THE YEAR 2010-2011

S. NO.	PARTICULARS	RATE OF DEPRECIATION	AS ON 01.04.2010	ADDITIONS	DEDUCTIONS	TOTAL AS ON 31.03.2011	VALUE AFTER REVALUATION & ADDITION	DEPRECIATION UPTO 31.03.2010	DEPRECIATION FOR THE PERIOD	DEDUCTION	DEPRECIATION UPTO 31.03.2011	NET BLOCK AS ON 31.03.2011 (AFTER REVALUATION)	NET BLOCK AS ON 31.03.2010 (AFTER REVALUATION)
1	LAND	0.00 %	41,503.75	-	-	41,503.75	363,938.00	-	-	-	-	363,938.00	363,938.00
2	FACTORY BUILDING	3.34 %	4,841,134.01	-	-	4,841,134.01	6,906,473.40	2,430,877.42	161,694.00	-	2,592,571.42	4,313,901.98	4,475,595.98
3	WELL	1.63 %	33,694.50	-	-	33,694.50	52,746.10	12,105.98	549.00	-	12,654.98	40,091.12	40,640.12
4	PLANT & MACHINERY	4.75 %	8,706,208.66	673,499.00	-	9,379,707.66	12,254,596.13	4,277,966.70	434,756.00	-	4,712,722.70	7,541,873.43	7,303,130.43
5	ELECTRIC INSTALLATION	4.75 %	107,987.60	-	-	107,987.60	253,355.23	93,763.93	5,129.00	-	98,892.93	154,462.30	159,591.30
6	LABORATORY EQUIPMENTS	4.75 %	28,685.20	-	-	28,685.20	28,685.20	26,105.85	1,363.00	-	27,468.85	1,216.35	2,579.35
7	FURNITURE & FIXTURES	6.33 %	283,905.00	-	-	283,905.00	283,905.00	199,275.00	17,971.00	-	217,246.00	66,659.00	84,630.00
8	FIRE EXTINGUISHERS	4.75 %	19,550.00	-	-	19,550.00	19,550.00	12,440.83	929.00	-	13,369.83	6,180.17	7,109.17
9	MOTOR CAR & Motor Cycle	9.50 %	2,317,603.00	-	-	2,317,603.00	2,317,603.00	258,699.00	220,172.00	-	478,871.00	1,838,732.00	2,058,904.00
10	TYPE WRITER	4.75 %	8,064.90	-	-	8,064.90	8,064.90	7,963.22	100.68	-	8,063.90	1.00	101.68
11	OFFICE EQUIPMENTS	4.75 %	247,266.00	7,500.00	-	254,766.00	254,766.00	111,570.00	11,861.00	-	123,431.00	131,335.00	135,696.00
12	COMPUTER & ACCESSORIES	16.21 %	82,251.00	20,500.00	-	102,751.00	102,751.00	40,063.00	14,999.00	-	55,062.00	47,689.00	42,188.00
13	CYCLE	7.07 %	1.00	-	-	1.00	1.00	-	-	-	-	1.00	1.00
	TOTAL		16,717,854.62	701,499.00	-	17,419,353.62	22,846,434.96	7,470,830.93	869,523.68	-	8,340,354.61	14,506,080.35	14,674,105.03
	PREVIOUS YEAR		14,564,530.62	2,153,324.00	-	16,717,854.62	22,144,935.96	6,759,482.93	711,348.00	-	7,470,830.93	14,674,105.03	13,232,129.03

SILVER OAK (INDIA) LIMITED 2010-2011

<u>SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011</u>		
PARTICULARS	31-03-2011	31-03-2010
<u>SCHEDULE '6' OF SUNDRY DEBTORS</u>		
(Unsecured Considered Goods)		
Less than Six months :	9,111,404.00	10,635,782.00
More than Six months :	1,562,604.00	2,477,278.00
TOTAL Rs.	10,674,008.00	13,113,060.00
<u>SCHEDULE '7' OF CASH AND BANK BALANCE</u>		
Cash in Hand	426,637.00	247,465.00
<u>Bank Balances</u>		
With Scheduled Banks in Current Accounts	26,240.92	32,885.89
TOTAL Rs.	452,877.92	280,350.89
<u>SCHEDULE '8' OF LOANS AND ADVANCES</u>		
(Advance recoverable in Cash or in kind or for value to be received).		
Prepaid Expenses	1,051,269.94	1,191,987.15
Advance Income Tax	129,683.00	608,633.00
VAT	172,265.00	59,158.00
Entry Tax	4,077.00	-
Advance paid against supply of goods	703,719.65	350,567.65
Sundry Deposits	636,257.00	577,103.00
TOTAL Rs.	2,697,271.59	2,787,448.80
<u>SCHEDULE '9' OF CURRENT LIABILITIES</u>		
A) Sundry Creditors		
1) For Goods	7,909,777.24	8,178,972.24
2) For Expenses	1,201,969.00	1,665,147.00
B) Advance received against supply of Goods		
	7,685.00	105,895.00
C) Book Over Draf		
	171,288.73	890,928.73
TOTAL Rs.	9,290,719.97	10,840,942.97
<u>SCHEDULE '10' OF PROVISIONS</u>		
Provision for Expenses	49,100.00	64,491.00
T.D.S. Payable	6,824.00	15,872.00
Income Tax payable	435,000.00	550,000.00
Service Tax Payable	7,783.00	18,521.00
TOTAL Rs.	498,707.00	648,884.00
<u>SCHEDULE '11' OF SALES</u>		
1. LIQUOR		
Sales - M.P. - IMFL Division	65,202,898.00	69,794,407.00
Sales - M.P. - PH Division	360,379.00	526,284.00
Sales - Interstate - IMFL Division	682,000.00	1,243,000.00
Sales - Interstate - PH Division	166,214.00	332,874.00
Sales - Others	-	690,326.00
TOTAL Rs.	66,411,491.00	72,586,891.00

SILVER OAK (INDIA) LIMITED 2010-2011

<u>SCHEDULE '12' OTHER INCOME</u>		
Royalty	699,120.00	58,085.00
	113,244.00	-
TOTAL Rs.	<u>812,364.00</u>	<u>58,085.00</u>
<u>SCHEDULE '13' INCREASE / DECREASE IN STOCK</u>		
CLOSING STOCK		
Finished Goods	12,105,468.00	10,100,083.00
Work - in - Process	964,036.00	497,037.00
TOTAL (A) : Rs.	<u>13,069,504.00</u>	<u>10,597,120.00</u>
<u>OPENING STOCK</u>		
Finished Goods	10,100,083.00	8,188,769.00
Work-in-Process	497,037.00	567,746.00
TOTAL (B) : Rs.	<u>10,597,120.00</u>	<u>8,756,515.00</u>
Increase / (Decrease) in Stock (A - B)	<u>2,472,384.00</u>	<u>1,840,605.00</u>
<u>SCHEDULE '14' OF MATERIAL</u>		
(i) Consumption of Material		
<u>OPENING STOCK</u>		
i) Raw Material	1,962,048.00	2,231,297.00
ii) Essence	206,893.00	279,718.00
iii) Consumable Goods	129,421.00	151,742.00
<u>Add : Purchase</u>		
i) Raw Material	2,94,66,793.00	
Essence	29,500.00	
	<hr/>	
ii) Consumable Goods	655,208.00	676,246.85
TOTAL (A) : Rs.	<u>32,449,863.00</u>	<u>36,892,377.35</u>
<u>Less : Closing Stock</u>		
i) Raw Material	2,060,658.00	1,962,048.00
ii) Essence	8,688.00	206,893.00
iii) Consumable Goods	247,722.00	129,421.00
TOTAL (B) : Rs.	<u>2,317,068.00</u>	<u>2,298,362.00</u>
TOTAL (A - B) : Rs.	<u>30,132,795.00</u>	<u>34,594,015.35</u>
<u>SCHEDULE '15' OF MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES</u>		
1. Packing Material Consumed	19,827,271.60	20,240,874.52
2. Fees	3,692,349.21	3,434,207.61
3. Freight & Cartage	2,313,630.40	2,902,390.40
4. Electric & Water charges	665,194.00	586,348.00
5. Repair & Maintenance	320,962.00	233,526.00
6. Director Remuneration	-	15,000.00
7. Stationery & Printing	71,196.00	89,793.00
8. Postage, Telephone Expenses	185,490.50	190,889.00

SILVER OAK (INDIA) LIMITED 2010-2011

9. Rent	234,000.00	180,000.00
10. Insurance Charges	98,001.00	57,888.00
11. Legal & Professional Exp.	314,150.00	261,463.00
12. Taxes	516,488.00	964,574.00
13. Transport Fee	1,565,000.00	1,650,200.00
14. Travelling & Conveyance expenses	221,691.00	235,941.00
15. Miscellaneous Expenses	333,107.00	236,931.73
16. Bottling charges	1,048,000.00	1,077,029.00
16. Sales Pramotion Expenses	-	44,083.00
TOTAL : Rs.	<u>31,406,530.71</u>	<u>32,401,138.26</u>

Note :- Packing Material consumption includes damage goods.

SCHEDULE '16' EMPLOYEE REMUNERATION & WELFARE

Salary & Benefits	3,035,506.00	2,348,934.00
Providend Fund	85,728.00	37,190.00
E.S.I.C.	22,479.00	15,114.00
Gratuity	34,929.00	76,361.00
TOTAL : Rs.	<u>3,178,642.00</u>	<u>2,477,599.00</u>

SCHEDULE '17' FINANCIAL EXPENSES

Interest to Bank & Others (Net)	515,668.00	498,946.00
Bank charges	57,826.97	73,231.75
Hire charges	95,952.92	60,839.13
TOTAL : Rs.	<u>669,447.89</u>	<u>633,016.88</u>

SILVER OAK (INDIA) LIMITED 2010-2011

SCHEDULE '18' OF ACCOUNTING POLICY AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

- 1.** Basis of preparation of Accounts : The accounts have been prepared in accordance with historical cost convention, applicable accounting standard issued by the Institute of Chartered Accountant of India and relevant provisions of the companies Act 1956. following accrual method of accounting except for Gratuity which is being accounted for on payment basis.
- 2.** Fixed Assets :
 - (a)** Land, Factory Building and Plant & Machinery are stated at the revalued amount less depreciation on cost of acquisition.
 - (b)** Other assets are recorded at cost of acquisition less accumulated depreciation.
- 3.** Investments : Long Term investment are valued at cost. Provision for diminution in the value of long term investment is made, only if such decline is other than temporary in value in the opinion of the management
- 4.** Depreciation :
 - (a)** Depreciation is provided using the Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956.
 - (b)** Depreciation on additions during the year is provided on pro-rata basis from the date of addition.
 - (c)** In case of revalued assets, depreciation has been charged on the original cost of that assets.
- 5.** Inventories : Inventories are valued as under and taken as certified by the management.

Raw Material	At cost
Finished Goods	At cost or net realization value which ever is less
Work-in-Process	At estimated cost at percentage of completion

The company has adopted FIFO method
- 6.** **(a)** Revenue Recognition : Sales of Goods are recognised as of the date of dispatch. Sales figures are net of rebate, discount, claims etc.
- 7.** Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets & liabilities have been computed on the timing difference applying the enacted tax rates.
- 8.** Goods in transit indicates goods with appropriate authority.
- 9.** Intangible assets : Intangible assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS) – 26 'Intangible Assets' issued by the institute of Chartered Accountants of India.
- 10.** Impairment of Assets: In accordance with the account statement (AS- 28) in "Improvement of Assets" issued by ICAI. During the year the Company reassessed its fixed assets and is of the view that no impairment / reversal is considered to be necessary in view of its value realizable.
- 11.** Consistency :These financial statement have been prepared in the basis of consistent with previous years and accounting policies not specifically referred here to are consistent with generally accepted accounting principal.

II. NOTES ON ACCOUNTS

- 1.** **Contingent Liabilities : a)** Contingent liability that may arise due to delayed, non compliance of certain fiscal law, amount of which is un ascertain.
b) Excise duty penalty of Rs. 50000/- levied by commissioner Exsice M.P Gwalior vide order No. 5(4) / 10-11/ 2610 dated 10-09-2010 and contested in appeal, vide appeal No A1360PBR2010 dated 27/09/2010 pending at M.P. Revenue Board, Gwalior.
- 2.** In our opinion and to the best of our knowledge and belief the aggregate value of current assets and loans

SILVER OAK (INDIA) LIMITED 2010-2011

and advances on realization in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

<u>3.</u>	<u>2010-2011</u>	<u>2009-2010</u>
Remuneration of Directors :		
Remuneration	-	15,000.00
Rent - Accommodation	-	9,000.00
<u>4.</u> Payments to Auditors (Including Service Tax).		
For Statutory Audit	11,030.00	11,030.00
For Tax Audit	3,309.00	3,309.00
Other Capacity	5,500.00	4,500.00
	19,839.00	18,839.00

5. Additional information pursuant to the provisions of Para 3 & 4 of part II of the Companies Act, 1956 as certified by the Directors are as under :-

a. Particulars of Capacity

(I) Licensed Capacity	1250640 Cases	1250640 Cases
(II) Installed Capacity	1250640 Cases	1250640 Cases
(III) Actual Production		
- At Pithampur	158318 Cases	172573 Cases

b(i) Details of Raw Material (Rectified Spirit, Malt Spirit & E.N.A.)

	<u>2010-2011</u>	<u>2009-2010</u>
i) Opening Stock		
Qty. In Ltrs. (At Pithampur)	40748.80	20683.10
Value In Rs. (At Pithampur)	18,27,669.00	20,77,494.00
Value of Others	26,800.00	73,976.00
ii) Purchases		
Qty. In Ltrs. (At Pithampur)	630000.00	708000.00
Value In Rs. (At Pithampur)	2,74,63,114.00	3,14,49,600.00
Value of Others	18,75,266.00	18,53,527.00
iii) Consumption		
Qty. In Ltrs. (Sold - Pithampur)	-	3000.00
Qty. In Ltrs. (At Pithampur)	639653.10	684634.30
Value In Rs. (At Pithampur)	2,75,51,735.00	3,16,99,426.00
Value of Others	17,02,498.00	19,00,703.00
iv) Closing Stock		
Qty. In Ltrs. (At Pithampur)	31095.70	40748.80
Value In Rs. (At Pithampur)	17,39,048.00	18,27,668.00
Value of Others	1,99,568.00	26,800.00

b(ii). Details of Raw Material (Pharma Division)

i) Opening Stock		
Value In Rs. (At Pithampur)	78,509.00	79,827.00
ii) Purchases		
Value In Rs. (At Pithampur)	1,28,413.00	1,55,744.00
iii) Consumption		
Value In Rs. (At Pithampur)	84,880.00	1,57,062.00
iii) Closing Stock		
Value In Rs. (At Pithampur)	1,22,042.00	78,509.00

SILVER OAK (INDIA) LIMITED 2010-2011

<u>Particulars</u>	<u>2010-2011</u>	<u>2009-2010</u>
C. I.M.F.L.		
i) Opening Stock		
Quantity	28784.00 Cases	25640.00 Cases
Value In Rs.	1,01,00,083.00	81,88,769.00
ii) Sales		
Quantity	152398.00 Cases	169003.00 Cases
Value In Rs.	6,58,84,898.00	7,10,37,407.00
iii) Closing Stock		
Quantity	34348.00 Cases	28784.00.00 Cases
Value In Rs.	1,21,05,468.00	1,01,00,083.00
 NOTE : The above information are as per calculation and verification by and certification of management.		
6.	The company has not received any intimation from suppliers regarding the status under The Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure, if any, relating to the amount unpaid as at year end together with interest paid/payable as required under the act have not been given.	
7.	Expenditure in foreign currency – Rs. NIL. (Previous year – Rs. NIL-). Earnings in foreign currency – Rs. NIL. (Previous year – Rs. NIL-).	
8.	There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund.	
9.	There are dispute regarding demand raised by M.P. Excise Department of Rs. 703125- which is being contested on appeal No. A1360PBR2010 for Rs. 703125/- dated 27/09/2010 Rs. 70313/- has been paid against there of as advance under protest.	
10	Segment reporting (AS 17)	
S. No.	Particulars	2010-2011 Rs. In lacs
		2001-2010 Rs. in lacs
1.	Segment revenue (net sales / Income)	
a.	I.M.F.L.	665.84
b.	Pharma Division	5.26
	Total	671.10
	Less : Inter Segment Revenue	-
	Net Sales / Income from operation	671.10
		717.86
		5.58
		726.44
		-
		726.44
2.	Segment Results	
	Profit / (Loss) before interest & tax	
a.	I.M.F.L.	106.55
b.	Pharma Division	1.99
	Total	108.54
	Less :	
a.	Interest	5.27
b.	Other un-allocable expenditure net off un-allocable income	68.88
		98.74
		4.32
		103.06
3.	Total Profit / (Loss) before tax	34.39
		36.08
11.	Transaction with related parties during the year & outstanding balance as on 31.03.2010 is as under :-	
	Key Management person	Balance outstanding
Remuneration	240000/-	---
Accommodation	138000/-	---

SILVER OAK (INDIA) LIMITED 2010-2011

Key management person :- Sanjeev Dhody (Chief Executive Officer)

12. Earning per Share – Profit computation for both basic and diluted earning per share of Rs. 10/- each.

	As on 31.03.2011	As on 31.03.2010
Net profit / (loss) available for equity share holders.	34,39,299/-	36,08,752/-
No. of share outstanding	24,46,700	24,46,700
Basic and diluted earning per equity share face value of Rs.10/- each	1.40	1.47

13. Deferred Tax

In accordance with AS – 22 accounting for taxes on Income, the Company has considered Deferred Taxes during the year. Accordingly, the net deferred tax Liability / Assets for the year has been recognized in the Profit & Loss Appropriation Account.

14. Provision of current tax is determined on the basis of the amount of tax payable on the taxable income for the year after considering credit of MAT u/s 115JAA

15. Retirement Benefits : The company has obtained group Gratuity Insurance policy from LIC of India to cover its Gratuity liability and is making annual payment of the liability calculated by them. Provident Fund Cost is accounted as per provision of said Act. Encashment of leave accumulated while in service is at option of the employee and is accounted for as and when claimed, hence not provided for.

17. The previous year figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with current year classifications.

SILVER OAK (INDIA) LIMITED 2010-2011

**SCHEDULE '21' OF ABSTRACT OF ACCOUNTS AND
COMPANY'S GENERAL BUSINESS PROFILE**

Information pursuant to notification No. GSR 388(E) dated 15-05-1995 published in the Official Gazette of India by the Ministry of Law, Justice and Company Affairs under Section 641(1) of the Companies Act, 1956.

I. Registration Details

Registration No.

0	0	2	6	3	5
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 State Code

1	0
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Balance Sheet

3	1		0	3		1	1
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Date Month Year

**II. Capital Raised during the year
(Amount in Rs. Thousand)**

Public Issue	Right Issue																
<table border="1"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	N	I	L	-	-	-	<table border="1"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	N	I	L	-	-	-
-	-	N	I	L	-	-	-										
-	-	N	I	L	-	-	-										
Bonus Issue	Private Placement																
<table border="1"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	N	I	L	-	-	-	<table border="1"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	N	I	L	-	-	-
-	-	N	I	L	-	-	-										
-	-	N	I	L	-	-	-										

**III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousand)**

Total Liabilities	Total Assets																
<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>3</td><td>9</td><td>2</td><td>7</td><td>9</td></tr></table>	0	0	0	3	9	2	7	9	<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>3</td><td>9</td><td>2</td><td>7</td><td>9</td></tr></table>	0	0	0	3	9	2	7	9
0	0	0	3	9	2	7	9										
0	0	0	3	9	2	7	9										

Source of Funds

Paid-Up Capital	Reserves & Surplus																
<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>2</td><td>4</td><td>4</td><td>6</td><td>7</td></tr></table>	0	0	0	2	4	4	6	7	<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>7</td><td>8</td><td>3</td><td>9</td></tr></table>	0	0	0	0	7	8	3	9
0	0	0	2	4	4	6	7										
0	0	0	0	7	8	3	9										
Secured Loans	Unsecured Loans																
<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>5</td><td>5</td><td>7</td><td>3</td></tr></table>	0	0	0	0	5	5	7	3	<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0	0
0	0	0	0	5	5	7	3										
0	0	0	0	0	0	0	0										
Deferred Tax Liability																	
<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>1</td><td>4</td><td>0</td><td>0</td></tr></table>	0	0	0	0	1	4	0	0									
0	0	0	0	1	4	0	0										

Application Funds

Net Fixed Assets	Investments																
<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>1</td><td>4</td><td>5</td><td>0</td><td>6</td></tr></table>	0	0	0	1	4	5	0	6	<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0	0
0	0	0	1	4	5	0	6										
0	0	0	0	0	0	0	0										
Net Current Assets	Accumulated Losses																
<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>2</td><td>3</td><td>4</td><td>6</td><td>5</td></tr></table>	0	0	0	2	3	4	6	5	<table border="1"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>1</td><td>6</td><td>2</td><td>6</td></tr></table>	0	0	0	0	1	6	2	6
0	0	0	2	3	4	6	5										
0	0	0	0	1	6	2	6										

SILVER OAK (INDIA) LIMITED 2010-2011

IV. Performance of Company

(Amount in Rs. Thousand)

Turnover							Total Expendure								
0	0	0	6	6	4	1	1	0	0	0	6	3	0	8	9
Profit / (Loss) Before Tax							Profir / (loss) After Tax								
0	0		0	3	4	3	9	0	0		0	3	0	0	3
Earning Per Share in Rs.							Dividend Rate %								
-	-	-	-	1	.	4	0	-	-	N	I	L	-	-	

V. Generic Names of Three Principal Products. (As per monetary terms).

1. Item Code No.

(ITC Code)

- - - N A - - -

Product Description

- - I N D I A N

- - - - M A D E

- F O R E I G N

- - L I Q U O R

2. Item Code No.

(ITC Code)

0 1 2 4

Product Description

F O O D

P R O D U C T S

3. Item Code No.

(ITC Code)

- - - N A - - -

Product Description

- - - N I L - -

4. Item Code No.

(ITC Code)

- - - N A - - -

Product Description

- - - N I L - -

SILVER OAK (INDIA) LIMITED 2010-2011

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31st MARCH 2011

	Year Ended at 31.03.2011	Year Ended at 31.03.2010
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	3,439,299.72	3,608,752.51
Depreciation	869,523.68	711,348.00
Public Issue Expenses Written Off	-	-
Investment Income	-	50,000.00
Profit / Loss on Sale of Fixed Assets	-	-
Extra Ordinary Item	-	-
Previous year Adjustment	-	-
Operating Profit Before Working Capital changes	4,308,823.40	4,370,100.51
Adjustment for Trade Receivables	2,439,052.00	(4,367,256.00)
Inventories	(3,269,337.00)	(1,416,499.00)
Loans & Advances	90,177.21	(1,026,145.39)
Trade & Other payables	(2,135,400.00)	4,471,849.73
Direct Taxes paid	-	-
Cash Generated from (used in) operations	1,433,315.61	2,032,049.85
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Add : INFLOWS FROM INVESTING ACTIVITIES		
Sales of Fixed Assets (Net)	-	-
Investment Income	-	-
Less : OUTFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(701,499.00)	(2,153,324.00)
Net Cash used in Investing Activities	(701,499.00)	(2,153,324.00)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Add : INFLOWS FROM FINANCING ACTIVITIES		
Proceeds from Arrears in Calls	-	-
Secured Loans	(559,289.58)	486,018.13
Unsecured Loans	-	(450,000.00)
	(559,289.58)	36,018.13
Less : OUTFLOWS FROM FINANCING ACTIVITIES		
Public Issue Expenses	-	-
Net Cash generated from financing activities	(559,289.58)	36,018.13
Net changes in Cash & Cash Equivalents (A+B+C)	172,527.03	(85,256.02)
Cash & Cash Equivalents - Opening Balance	280,350.89	365,606.90
Cash & Cash Equivalents - Closing Balance	452,877.92	280,350.89
ANNEXURE		
BREAK - UP OF CASH & CASH EQUIVALENTS		
Cash & Bank Balances	452,877.92	280,350.89
Bank Overdraft	171,288.73	890,928.73
Cash & Cash Equivalents	624,166.65	1,171,279.62

For and on behalf of the board

AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of SILVER OAK (INDIA) LTD., Indore for the year ended 31st March, 2011 prepared by the Company and certify that the statement has been derived from the account of the Company audited by us and has been prepared in accordance almost to the Stock Exchange Listing requirements.

Place : **INDORE**

Date : **7th July, 2011**

For O.T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS
FRN No.001120C

(Sameep Gandhi)
PARTNER
M. No. 41107

SILVER OAK (INDIA) LIMITED 2010-2011

SILVER OAK (INDIA) LIMITED
Regd. Office: Plot No.110, Sector-I, Industrial Area,
Pithampur, Dist. Dhar (M.P.) 454 775

I/We _____

of _____

Member/Members of SILVER OAK (INDIA) LIMITED hereby appoint _____

_____ of _____ or failing him _____

of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Thursday, 15th day of September, 2011 at 11.00 A.M. and at any adjournment thereof.

Signed the _____ day of _____ 2011

Signed by said

Affix 30 paise
Revenue Stamp

Notes:

- (a) The form should be signed across the stamp as per specimen signature register of the Company.
- (b) The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the aforesaid meeting.

----- cut here -----

SILVER OAK (INDIA) LIMITED
Regd. Office: Plot No.110, Sector-I, Industrial Area,
Pithampur, Dist. Dhar (M.P.) 454 775

**ATTENDANCE SLIP
(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)**

I hereby record my presence at the 27th Annual General Meeting of the Company to be held at the Regd. Office of the Company at Plot No.110, Sector-I, Industrial Area, Pithampur, Dist. Dhar (M.P.) ON Thursday, 15th day of September, 2011 at 11.00 A.M.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

NAME OF THE ; PROXY (To be filled if the Proxy attends instead of the member)

SIGNATURE OF THE MEMBER/PROXY/REPRESENTATIVE

Member's Folio No. _____ No. of Shares held _____

SILVER OAK (INDIA) LIMITED 2010-2011

SILVER OAK (INDIA) LIMITED
Regd. Office: Plot No.110, Sector-I, Industrial Area,
Pithampur, Dist. Dhar (M.P.) 454 775

Green Initiative in Corporate Governance

Dear Shareholder,

In case you have not registered your e-mail address for receiving communication from Company in electronic mode, you may submit the Registration Form given below along with the survey form in the enclosed postage pre-paid envelope. Shareholders holding shares in demat mode are request to register their e-mail address with the Depository Participant.

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

Folio No. / DP ID & Client ID: _____

Name of 1st Registered Holder: _____

Name of Joint Holder(s): _____

Registered Address: _____

E-mail ID (to be registered): _____

I/we shareholder(s) of Hindustan Unilever Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail id in your records for sending communication through e-mail

.

Date: _____

Signature: _____

Note:

Shareholder(s) are requested to keep the Company/Depository Participant informed as and when there is any change in the e-mail address.