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**THIRTY ANNUAL REPORT 2013-2014**

<b>BOARD OF DIRECTORS</b>	1. Shri Bhupendra Singh	-	Whole Time Director
	2. Shri Santosh Kumar Singh	-	Director
	3. Shri Chanchal Rai	-	Director
	4. Shri Shyam Alawe	-	Director

**AUDITORS** M/S. O. T. Gandhi & Co.,  
Chartered Accountants,  
Indore

**REGISTERED OFFICE** Plot No. 110,  
Sector-1, Industrial Area,  
Pithampur, Dist. Dhâr (M.P.)

**INDORE OFFICE** 102, 1<sup>st</sup> 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

**SILVER OAK (INDIA) LIMITED**

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

## SILVER OAK (INDIA) LIMITED 2013-2014

### NOTICE

**NOTICE** is hereby given that the **Thirtieth Annual General Meeting** of the Company will be held on **Saturday, 27th day of September, 2014 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:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2014 together with the Report of the Directors and Auditors thereon.
2. To reappoint a Director in place of Shri Bhupendra Singh, Whole Time Director of the Company who retires by rotation and being eligible offered himself for re-appointment.
3. 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."

#### **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 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Chanchal Rai, Director (DIN: 02575856), whose period of office is liable to determination by retirement of directors by rotation and who has offered himself for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2019 and he shall not be liable to retire by rotation."

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 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shyam Alawe, Director (DIN 05276927), who was appointed as additional director of the company on 02st September, 2014 for the period upto next annual general meeting of the company and in respect of whom a notice has been received from a Member in writing, under Section 160 of the Companies Act, 2013, and who has offered himself for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2019 and he shall not be liable to retire by rotation."

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6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 14 and all other applicable provisions of Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this resolution.”

7. 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 Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and as per the recommendation of the Audit Committee, the Cost Auditor, Mr. Sudeep Satyendra Saxena, member of the Institute of Cost Accountants of India having Membership No. M-30265 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of ` 20,000/- (Rupees Twenty Thousand only) plus out of pocket expenses.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**RESOLVED THAT** Mr. Santosh Kumar Singh , Director liable to retire by rotation, who does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up”.

**By Order of the Board of Directors**

**Place : Indore (M.P.)  
Date : 02<sup>nd</sup> September, 2014**

**Bhupendra Singh  
Whole Time Director**

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### 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 proxy need not be a member of the company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 25th September, 2014 to Saturday, 27th September, 2014 (Both days inclusive).
3. 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.
4. 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.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of their Folios.
6. 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.
7. 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.
8. Reappointment of Director:

Shri Bhupendra Singh, Whole Time Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. He has about 18 years of experience in Liquor Market and depth knowledge of Finance and Marketing.
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.
11. **E-Voting:**

Pursuant to provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the business to be transacted at the Annual General Meeting of the Company to be held on Saturday, September 27, 2014, at 11.00 a.m. may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company has engaged the services of National Securities

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Depository Limited ('NSDL') to provide e-voting facilities.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN (E-voting event number)	User ID	Password / Pin

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 10.00 A.M. of September , 21, 2014
End of e-voting	Upto 5.00 P.M. of September , 23, 2014

E-voting shall not be allowed beyond 5.00 P.M of September, 23, 2014. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on 29th August, 2014 may cast their votes electronically.

Please read the instructions printed overleaf before exercising the vote.

### **Instruction for E-voting**

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 pleased to provide its members the facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL) the instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Depository Participants(s)]:
- (i) Open email and open PDF file viz; (File Name) The said PDF file contains your user ID and password/PIN for e-voting.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iii) Click on Shareholder – Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) If you login first time, Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
  - (vii) Select “EVEN” (E-voting Event Number) of (Company Name).
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evoting.mmgl@gmail.com](mailto:evoting.mmgl@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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B. In case Email I.D. of the member is not registered with the depository participant and members holding shares in Physical Form:

(i) Initial password will be provided/intimated through Letter from our Registrar:

EVEN (E Voting Event Number )	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The e-voting period commences on September, 21, 2014 (10:00 am) and ends on September, 23 2014 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on 29th August, 2014, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 29th August, 2014.
- VI. Mr. Manish Tamboli, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The Results of e-voting, and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- IX. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:

M/S Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex, Pardeshipura,  
Indore (M.P.) 452010  
Tel.: 0731-2551745-46 Fax: 0731-4065798  
e-mail-ankit\_4321@yahoo.com

**By Order of the Board of Directors**

**Place : Indore (M.P.)**  
**Date : 02<sup>nd</sup> September, 2014**

**Bhupendra Singh**  
**Whole Time Director**



## SILVER OAK (INDIA) LIMITED 2013-2014

### **ANNEXURE TO THE NOTICE**

#### **Explanatory Statement, as required under section 102 of the Companies Act, 2013**

##### **Item No. 4:**

Mr. Chanchal Rai is Independent Director on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreements entered with the Stock Exchanges. He joined the Board of Directors of the Company on 03rd April, 2009.

Pursuant to the provisions of section 149 of the Companies Act, 2013 ("the Act"), which came into effect from April 1, 2014, every Listed Public Company is required to have at least one-third of the total number of directors as independent directors.

Section 149(10) of the Act provided that an independent director shall hold office for a term of upto five consecutive years on the Board. Further, section 149(13) of the Act states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors. Additionally, the Ministry of Corporate Affairs, Government of India, by a notification, has clarified that if a Company intends to appoint existing independent directors as independent directors under the Act; such appointment must be made expressly within one year from April 1, 2014. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Chanchal Rai as an independent director of the Company to hold office for a term up to March 31, 2019.

The Company has received a notice under Section 160 of the Companies Act, 2013 along with the deposit of the requisite amount proposing his candidature for the office of Independent Director of the Company.

Mr. Chanchal Rai has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

His brief resume and other particulars have been given below under the heading 'Details of Directors seeking appointment/re-appointment'.

A copy of the draft letter of appointment of Mr. Chanchal Rai as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 12:00 pm up to the date of the AGM.

The Board recommends the Ordinary Resolution at Item No. 4 for approval of the members.

Save and except Mr. Chanchal Rai, none of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in the Resolution.

##### **Item No. 5:**

Mr. Shyam Alawe, Director (DIN 05276927), is Independent Director on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreements entered with the Stock Exchanges. He joined the Board of Directors of the Company on 02st September, 2014 as additional director for a period upto next Annual General Meeting.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every Listed Public Company is required to have at least one-third of the total number of directors as independent directors.

Section 149(10) of the Companies Act, 2013 provided that an independent director shall hold office for a term of upto five consecutive years on the Board. Further, section 149(13) of the Companies Act, 2013 states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Shyam Alawe, Director (DIN 05276927), as an independent director of the Company to hold office for a term up to March 31, 2019.

The Company has received a notice under Section 160 of the Companies Act, 2013 along with the deposit of the requisite amount proposing his candidature for the office of Independent Director



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of the Company.

Mr. Shyam Alawe has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

His brief resume and other particulars have been given below under the heading 'Details of Directors seeking appointment/re-appointment'.

A copy of the draft letter of appointment of Mr. Shyam Alawe as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 12:00 pm up to the date of the AGM.

The Board recommends the Ordinary Resolution at Item No. 5 for approval of the members.

Save and except Mr. Shyam Alawe, none of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in the Resolution.

### **Item No. 6**

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft of AoA is being uploaded on the company's website for perusal by the Shareholders.

The proposed new draft of AoA is available for inspection by the members at the Registered Office of the Company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financial or otherwise, in the Special Resolution set out at item no. 8 of the Notice.

The Board of Directors recommends the Special Resolution for your approval.

### **Item No. 7**

The Board of the Directors of the Company as per the recommendation of the Audit Committee, has approved the appointment of Mr. Sudeep Satyendra Saxena, Cost Accountant, as Cost Auditor, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 and also approved the remuneration of 20000/- (Rupees Twenty thousand only) to be paid to him.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor requires to be ratified by the shareholders of the Company.

Accordingly, it is proposed to sought consent of the members by passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolution financially or otherwise.

### **Item No. 8**

In accordance with the Articles of Association of the Company, Mr. Santosh Kumar Singh, Director retires by rotation at the ensuing Annual General Meeting. Mr. Santosh Kumar Singh, has indicated to the Company that he is not seeking reappointment

## SILVER OAK (INDIA) LIMITED 2013-2014

### REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual Report, together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

#### FINANCIAL RESULTS:

Particulars	2013-14	2012-13
	(Rs. in Lacs)	
Sales and other Income	721.31	1610.76
Profit/(Loss) before Depreciation	2.51	47.41
Interest	9.66	11.08
Depreciation	10.64	9.70
Profit/(Loss) before Tax	(8.13)	37.72
Less: Provision for Tax	(0.44)	11.88
Net Profit/(loss) for the year	(7.68)	25.83
Profit/(Loss) brought forward from previous year	34.69	8.86
Balance carried to Balance Sheet	27.00	34.69

#### DIVIDEND:

The Company has earned a Net Loss of Rs. 7.68 Lacs during the Financial Year 2013-14 but in view of the future expansion plan and other business activities your directors have decided not to recommend any dividend for the year ended 31st March, 2014.

#### OPERATING RESULTS:

During the financial year under review, your Company achieved a production of 136078 cases of Indian Made Foreign Liquor (IMFL) (234767 cases in 2012-13) and sold 112786 cases (245610 cases in 2012-13) of IMFL generating a net revenue of Rs. 716.09 lakhs (Rs. 1601.38 lakhs in 2012-13).

Your Company has incurred a net loss of Rs. 7.68 Lacs for the financial year ended 31st March, 2014 as against the profit of 25.83 Lacs for the financial year ended 31st March, 2013, 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.

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

### **DIRECTORS:**

Shri Bhupendra Singh, whole time 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, 2014, 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, 2014 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.

## SILVER OAK (INDIA) LIMITED 2013-2014

### **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

Place : Indore (M.P.)

Date : 02<sup>nd</sup> September, 2014

Director

Director

SILVER OAK (INDIA) LIMITED 2013-2014

**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 31<sup>st</sup> March, 2014.

**FORM "A"**

**CONSERVATION OF ENERGY:**

**A. Electricity Consumption:**

1. Electricity	<b>Current Year</b> 2013-2014	<b>Previous Year</b>
<b>(a) Purchased:</b>		
(i) Units Purchased:	103719.00	92505.00
(ii) Total Amount (Rs.)	760068.00	715443.00
(iii) Power cost per unit(Rs.) :	7.33	7.73
<b>(b) Own Generation:</b>		
Through D.G.Set		
	NIL	NIL
(i) Production in Cases :	136078.00	234767.00
(ii) Units consumption per case :	0.76	0.39
(iii) Cost of power per case (Rs.) :	5.58	3.04

**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:**

	<b>Current Year</b>	<b>Previous Year</b>
(i) Earnings :	NIL	NIL
(ii) Outgo(Rs.) :	NIL	NIL

By Order of the Board of Directors

Place : Indore (M.P.)

Date : 02<sup>nd</sup> September, 2014

Director

Director

## CORPORATE GOVERNANCE REPORT

### “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, 2014 the Board comprised of Three Directors, one of whom are Executive and remaining two are Independent Directors (NED). The Board constitutes 67% of the Directors who are Non Executive Directors.

Director	Category	No. of Director-ships*	Number of Member of the Board Committees*	No. of Baord Committees for which Chariperson*
Shri Bhupendra Singh	Whole-Time Director	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 2013-14 the Board of Directors met 4 (Four) times viz. 30.05.2013, 14.08.2013, 14.11.2013, 13.02.2014

The details of the Board meetings held during the financial year 2013-14 are given below:

Directors	Number of Board Meetings held	Number of Board Meeting Attended	Attendance of Last AGM
Shri Bhupendra Singh	4	4	Yes
Shri Santosh Kumar Singh	4	4	Yes
Shri Chanchal Rai	4	4	Yes

**4. BOARD COMMITTEES:**

**a. Audit Committee:**

**i. Terms of Reference**

The Audit Committee has been mandate with the same terms of reference as specified in

*SILVER OAK (INDIA) LIMITED 2013-2014*

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.

**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 31.03.2014 Six Meetings were held on 30.05.2013, 14.08.2013, 14.11.2013, 13.02.2014. The composition of the audit committee and the attendance of each director at these meetings are given below:

<b>Name of the Director</b>	<b>Number of Meetings attended</b>
Shri Chanchal Rai	4
Shri Santosh Kumar Singh	4
Shri Bhupendra Singh	4

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, five meetings of the Committee were held. Attendance of Members at these meetings was as under:

<b>Name of the Director</b>	<b>Number of Meetings attended</b>
Shri Chanchal Rai	4
Shri Santosh Kumar Singh	4
Shri Bhupendra Singh	4

**Details of Shareholders / Investors Complaints received and redressed**

<b>Nature of Complaint</b>	<b>Complaints Received</b>	<b>Complaints Redressed</b>
Non-Receipt of Shares lodged for Transfer	-	-
Others (e.g. non-receipt of Annual Report)	-	-
<b>Total</b>		

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 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.



*SILVER OAK (INDIA) LIMITED 2013-2014*

**C. Remuneration Committee:**

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, one meeting of the Committee was held on, 14.08.2013.

The members of the Remuneration Committee are:

<b>Name of the Director</b>	<b>Number of Meetings attended</b>
Shri Chanchal Rai	1
Shri Santosh Kumar Singh	1
Shri Bhupendra Singh	1

**5. ANNUAL GENERAL MEETINGS:**

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

<b>Year</b>	<b>Date</b>	<b>Location of Meeting Resolution(s)</b>	<b>No. of Special</b>
2012-2013	27 <sup>th</sup> September, 2013	Regd Office	NIL
2011-2012	29 <sup>th</sup> September 2012	Regd Office	1
2010-2011	30 <sup>th</sup> September, 2011	Regd Office	NIL

**6. DISCLOSURES:**

- a) 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.
- b) The certification under Clause 40(v) of listing agreement by CEO and CFO to the Board is happened to this report. The Company has adopted following non-mandatory requirements on Corporate Governance recommended under clause 49 of the Listing Agreement.

**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 : Saturday, 27<sup>th</sup> September, 2014  
Day, date, time & Venue at 11.00 a.m. at Regd. Office at Plot No. 110, Sector - I, Industrial Area, Pithampur, Dist. Dhar (M.P.)
- b) Book Date : Thursday, 25<sup>th</sup> September, 2014  
Book Closure Date for Annual General Meeting to Saturday, 27<sup>th</sup> September, 2014 (Both days inclusive).

SILVER OAK (INDIA) LIMITED 2013-2014

<b>Distribution of shareholdings as on 31st March, 2014</b>				
<b>Holding value in Rs.</b>	<b>Shareholders</b>		<b>Shares amount</b>	
	<b>Number</b>	<b>%</b>	<b>Share amount in Rs.</b>	<b>% of Shares</b>
1 – 5000	218	59.57	698710	1.84
5001 – 10000	87	23.77	781030	2.06
10001 – 20000	16	4.37	275000	0.73
20001 – 30000	12	3.28	298150	0.79
30001 – 40000	6	1.64	230450	0.61
40001 – 50000	1	0.27	47000	0.12
50001 – 100000	4	1.09	328650	0.87
100001 and above	22	6.01	35243010	92.98
<b>Total</b>	<b>366</b>	<b>100%</b>	<b>37,90,2000.00</b>	<b>100%</b>

<b>Categories of Shareholders as on 31st March, 2014</b>			
<b>Category</b>	<b>No. of Folios</b>	<b>Shares held (Nos.)</b>	<b>% of holdings</b>
Mutual Funds & Unit Trust of India	-	-	-
Financial Institutions/Banks	-	-	-
Insurance Companies	-	-	-
Foreign Institutional Investors	-	-	-
Bodies Corporate	<b>23</b>	<b>1387978</b>	<b>36.62</b>
NRIs/Foreign Bodies/Foreign Nationals	-	-	-
Directors and their Relatives	<b>3</b>	<b>1129570</b>	<b>29.80</b>
Resident Individuals & Others	<b>340</b>	<b>1272652</b>	<b>33.58</b>
<b>Total</b>	<b>366</b>	<b>3790200</b>	<b>100%</b>

<b>Top 10 Shareholders as on 31st March, 2014 (Other than promoters)</b>			
<b>Sr. No.</b>	<b>Name</b>	<b>Holding</b>	<b>%</b>
1	GYANSU MARKETING PVT LTD	185000	4.88
2	PREM COTGIN PVT LTD	185000	4.88
3	DESIRES INFOTECH PVT LTD	185000	4.88
4	DIGISOFT SOFTWARE PVT LTD	185000	4.88
5	NEW TIME AGRO FARMS PVT LTD	185000	4.88
6	EMINENT VIVEKA RETAIL PVT LTD.	185000	4.88
7	HARCHARAN SINGH BHATIA	174340	4.60
8	RAM KAUR BHATIA	119300	3.15
9	RAGHVENDRA PRATAP SINGH	119200	3.14
10	AJAY SINGH	117780	3.11
	<b>Total</b>	<b>1640620</b>	<b>43.28</b>

*SILVER OAK (INDIA) LIMITED 2013-2014*

- 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

The listing fee for the financial year ended 31st March, 2013 has been paid to the above Stock Exchanges.

**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, 2014 are as under:

Month	BSE		
	High	Low	Volume
Apr-13	16.55	13.95	2207
May-13	16.50	16.25	300
June-13	15.70	15.70	200
July-13	16.45	16.45	1
Aug-13	-	-	-
Sep-13	-	-	-
Oct-13	16.80	16.70	1700
Nov-13	-	-	-
Dec-13	-	-	-
Jan-14	16.00	16.00	110
Feb-14	16.80	16.80	100
Mar-14	16.70	15.90	700

**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  
60, Electronic Complex, Perdesipura,  
Indore - 452 010
- 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 30 days from the date of receipt, subject to the documents being valid and complete in all respects.
- 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@gmail.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

Place : Indore (M.P.)

Date : 02<sup>nd</sup> September, 2014

Director

Director

**CERTIFICATE PURSUANT TO CLAUSE 49 V OF  
THE LISTING AGREEMENT**

I, Bhupendra Singh, Whole Time Director do hereby certify to the Board that:-

- a. I have reviewed the Balance Sheet as at March 31, 2014, the Profit and Loss Account and the Cash Flow statement for the year ended on that date and that to the best of my knowledge and belief:
  - (i) The said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) The said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulently illegal or violative of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. During the year : -
  - (i) There have not been any significant changes in internal control over financial reporting;
  - (ii) There have not been any significant changes in accounting policies; and
  - (iii) There have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

**Bhupendra Singh  
Whole Time Director**

**Indore**  
02<sup>nd</sup> September, 2014

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**DECLARATION PURSUANT TO CLAUSE 49 I (D) (ii) OF  
THE LISTING AGREEMENT**

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Board Members and Senior Management of the Company have affirmed their compliance with the Code of Conduct as applicable to them for the financial year ended March 31, 2014

**Bhupendra Singh  
Whole Time Director**

**Indore**  
02<sup>nd</sup> September, 2014

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by **Silver Oak (India) Limited**, for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange, Mumbai.

The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the fiscal statements 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 the Listing Agreement except that quarterly results were not published and not submitted to the Stock Exchange.

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

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

**M/s O. T. Gandhi & CO.**  
Chartered Accountants

**Sd/-**  
**(Sameep Gandhi)**  
**Partner**  
**M. No. 411107**

**Place : Indore**

02<sup>nd</sup> September, 2014

SILVER OAK (INDIA) LIMITED 2013-2014

**INDEPENDENT AUDITORS' REPORT**

To the Members,

**Silver oak (India) Limited**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of Silver Oak ( India) 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**

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position , financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (" the Act ") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of 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 Responsibility**

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

**Opinion**

6. In our opinion and to the best of our information and according to the explanation 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 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, 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 the date.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies ( Auditor's Report ) Order , 2003 ; as amended by the ' the Companies ( Auditors' Report) (Amendment) Order 2004; issued by the Central Government of India in terms of sub -section (4A) of section 227 of the Act. we given in the Annexure a statement of the matters specified in Paragraphs 4 and 5 of the Order.
8. 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 book;
  - 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 , Statement of Profit and Loss , and Cash flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ; to the extent applicable .
  - e. On the basis of written representation 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 director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 ;

**FOR O.T. GANDHI & COMPANY**

Chartered Accountants

Firm Registration No. 001120C

Place : Indore  
Dated : May 29, 2014

**Sameep Gandhi**  
Partner  
Membership No. 411107

## ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirement" 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 on the basis of available information.  
(b) As explained to us, all the fixed assets have been physically verified by the management once during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.  
(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, 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 inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
4. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
5. In our opinion and according to the information and explanation 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 our Audit, we have not observed any continuing failure to correct major weakness in internal controls.
6. (a) Based on the audit procedures performed by us we are of the opinion that transactions need to be entered in to 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 explanation given to us, these transactions have been made at price, which are reasonable having regard to prevailing market price at the relevant time.
7. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed their under.
8. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
9. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Record) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
10. (a) According to the record of the Company, the undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, cess have regularly been deposited with the appropriate authorities. There are no significant undisputed amount payable in respect of such statutory dues which have remained



*SILVER OAK (INDIA) LIMITED 2013-2014*

outstanding as at March 31,2014 for a period more than six months from the date they become payable.

- (b) The disputed statutory dues aggregating Rs. 12.68 Lac that have been deposited on account of disputed matter pending before appropriate authorities as under

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount</b>	<b>Period to which amount relates</b>	<b>Forum where disputes pending</b>
M.P. Excise Act 1915	Duty	Rs. 632812.00	2010-11	High Court ,M.P.
M.P. Excise Act 1915	Penalty	Rs. 45000.00	2010-11	High Court ,M.P.
M.P. Excise Act 1915	Duty	Rs. 545400.00	2011-12	High Court ,M.P.
M.P. Excise Act 1915	Penalty	Rs. 45000.00	2011-12	High Court ,M.P.

11. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and immediately preceding financial year.
12. Based on our audit procedures and according to information and explanations give to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and banks.
13. In our opinion and according to the explanations given to us and based on the information available, the company has not granted loans and advance on the basis of security by way of pledge of shares, debenture and other securities.
14. The provision of any special statute applicable to chit fund/nidhi/Mutual benefit fund/Societies are not applicable to the Company.
15. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(XIV) of the Companies (Auditor Report) order 2003 are not applicable to the company.
16. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from the banks and financial institutions.
17. Based on information and explanation given to us, on an overall basis, the term loans were applied for the purpose for which they were obtained.
18. According to the information and explanation given to us and on an overall examination of the Books of accounts and Balance Sheet of the company, we are of the opinion, prima facie that there are no funds raised on short-term basis which have been used for long term investments.
19. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The company has not issued debentures during the year.
21. The Company has not raised money by way of public issue during the year.
22. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

FOR O.T. GANDHI & COMPANY  
Chartered Accountants  
Firm Registration No. 001120C

Place : Indore  
Dated : May 29, 2014

Sameep Gandhi  
Partner  
Membership No. 411107

SILVER OAK (INDIA) LIMITED 2013-2014

**BALANCE SHEET AS AT 31st MARCH, 2014**

Particulars	Note No.	31 March 2014	31 March 2013
<b>A. EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	2	37902000.00	37902000.00
(b) Reserves and surplus	3	17256650.50	18025128.22
		<u>55158650.50</u>	<u>55927128.22</u>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	1280400.49	1524762.37
(b) Other Long Term Liabilities	5	92360.00	82540.00
(c) Deferred tax liabilities (Net)	6	1229255.48	1274102.48
		<u>2602015.97</u>	<u>2881404.85</u>
<b>Current liabilities</b>			
(a) Short-term borrowings	7	8682908.32	8502897.97
(b) Trade payables	8	3186407.00	6038597.00
(c) Other current liabilities	9	5120515.00	5377092.35
(d) Short-term provisions	10	151838.00	1294204.00
		<u>17141668.32</u>	<u>21212791.32</u>
<b>TOTAL</b>		<u>74902334.79</u>	<u>80021324.39</u>
<b>B. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	14402203.00	14769793.00
(b) Long-term loans and advances	12	1554529.00	1417479.00
		<u>15956732.00</u>	<u>16187272.00</u>
<b>Current assets</b>			
(a) Inventories	13	31688341.00	28177014.00
(b) Trade receivables	14	7672499.00	25059894.00
(c) Cash and cash equivalents	15	8412572.81	3857974.40
(d) Short-term loans and advances	16	8542074.40	4449522.40
(e) Other current assets	17	2630115.58	2289647.59
		<u>58945602.79</u>	<u>63834052.39</u>
<b>TOTAL</b>		<u>74902334.79</u>	<u>80021324.39</u>

Significant Accounting Policies & Notes on Accounts 1 to 36

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As per our report of even date attached

**FOR O.T. GANDHI & COMPANY**

Chartered Accountants

Firm Registration No. 001120C

**Sameep Gandhi**

Partner

Membership No. 411107

Place : Indore

Dated : May 29, 2014

**For and on behalf of the Board**

**Bhupendra Singh**

Whole Time Director

**Chachal Rai**

Director

SILVER OAK (INDIA) LIMITED 2013-2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2013			
Particulars	Note No.	31 March 2014	31 March 2013
<b>INCOME</b>			
Revenue from Operations	18	<b>71608704.00</b>	160138070.00
Other Income	19	<b>522781.00</b>	938400.24
<b>Total Revenue</b>		<b><u>72131485.00</u></b>	<b><u>161076470.24</u></b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	<b>45079180.00</b>	91682860.00
Purchase of Stock -in -trade	21	<b>4734000.00</b>	3432253.00
Works contract Expenses	22	<b>0.00</b>	9547711.00
Change in Inventories	23	<b>-8999958.00</b>	5655333.00
Employee Benefits Expenses	24	<b>5239801.00</b>	5960371.00
Finance costs	25	<b>1016856.12</b>	1158543.60
Depreciation and amortisation expenses	11	<b>1063526.00</b>	969758.00
Other Expenses	26	<b>24811404.60</b>	38897984.43
<b>Total Expenses</b>		<b><u>72944809.72</u></b>	<b><u>157304814.03</u></b>
<b>Profit /(Loss) Before Tax</b>		<b>-813324.72</b>	3771656.21
Current Tax	27	<b>0.00</b>	1274489.00
Deferred Tax		<b>-44847.00</b>	-85765.11
<b>Profit for the Year</b>		<b><u>-768477.72</u></b>	<b><u>2582932.32</u></b>
<b>Earnings per equity share</b>	28		
Basic and Diluted { in Rs.}		<b>-0.20</b>	0.68
Significant Accounting Policies & Notes on Accounts 1to36			
As per our report of even date attached			
<b>FOR O.T. GANDHI &amp; COMPANY</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants		<b>Bhupendra Singh</b>	
Firm Registration No. 001120C		Whole Time Director	
<b>Sameep Gandhi</b>		<b>Chachal Rai</b>	
Partner		Director	
Membership No. 411107			
Place : Indore			
Dated : May 29, 2014			

SILVER OAK (INDIA) LIMITED 2013-2014

**CASH FLOW STATEMENT FOR THE YEAR 2013-14**

Particulars	Note No.	31 March 2014	31 March 2013
<b>INCOME</b>			
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Profit before tax as per Profit and Loss Account</b>		<b>-813324.72</b>	<b>3771656.21</b>
Adjusted for :			
Depreciation and Amortisation Expenses		1063526.00	969758.00
Interest Income		-522781.00	-938400.24
Finance Cost		1016856.12	1158543.60
Net Gain on Sale of Assests		0.00	3550.00
		<b>744276.40</b>	<b>4965107.57</b>
Operating profit before Working Capital Changes			
Movement in Working Capital			
Increase/(decrease) in trade payables		-2852190.00	7711705.60
Increase/(decrease) in other current liabilities		-256577.35	5030060.50
Increase/(decrease) in short term provision		-1142366.00	881465.00
Increase/(decrease) in long term loan and advance		-137050.00	-550378.00
Increase/(decrease) in inventories		-3511327.00	-10845132.00
Increase/(decrease) in trade receivables		17387395.00	-12247737.00
Increase/(decrease) in short term loan and advance		-4092552.00	269666.65
Increase/(decrease) in other current assets		-340467.99	9930.42
<b>Cash Generated from operations</b>		<b>5799141.06</b>	<b>-4775311.26</b>
Income-tax paid		0.00	-1274489.00
Net Cash from Operating Activities		<b>5799141.06</b>	<b>-6049800.26</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		-695936.00	-1514949.00
Proceeds from Sale of fixed assets		0.00	185500.00
Interest Received		522781.00	938400.24
Net Cash (used in) Investing Activities		<b>-173155.00</b>	<b>-391048.76</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings		-244361.88	-61978.47
Proceeds from short term borrowings		180010.35	7116836.00
Interest Paid		-1016856.12	-1158543.60
Net Cash ( used in)/ from Financing Activities		<b>-1081207.65</b>	<b>5896313.93</b>
<b>Net increase /(decrease) in cash and cash equivalents [A+B+C]</b>		<b>4544778.41</b>	<b>-544535.09</b>
<b>Opening Balance of Cash and cash equivalents</b>		<b>3857974.40</b>	<b>849910.78</b>
<b>Closing Balance of Cash and cash equivalents</b>		<b>8412572.81</b>	<b>3857974.40</b>

\*The above cash flow statement has been prepared under the indirect method set out in accounting standard 3 on cash flow statement

As per our report of even date attached  
**FOR O.T. GANDHI & COMPANY**  
 Chartered Accountants  
 Firm Registration No. 001120C

**For and on behalf of the Board**  
**Bhupendra Singh**  
 Whole Time Director

**Sameep Gandhi**  
 Partner  
 Membership No. 411107  
 Place : Indore  
 Dated : May 29, 2014

**Chachal Rai**  
 Director

## SILVER OAK (INDIA) LIMITED 2013-2014

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014

#### COMPANY OVERVIEW

Silver Oak (India) Limited (the "Company") is a public limited company domiciled and incorporated under provision of Companies Act 1956 .Its share are listed on Bombay Stock Exchange, . The Company is engaged in the manufacturing and selling of Indian made foreign liquor. The Company caters mainly to the domestic market

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statement have been prepared under the historical cost convention, going concern and on the accrual basis of accounting in accordance with the provisions of the Companies Act, 1956 & comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to Companies Act, 1956.

##### 1.2 ACCOUNTING ESTIMATES

The preparation of the financial statements in accordance with generally accepted accounting principles often requires that Company officials makes estimates & assumption that affect the reported amount of Assets & Liabilities and disclosure of contingent Assets and liabilities as on the date of financial statement & the reported amounts of revenue & expenses. During the reported period Company officials believes that the estimates used in the preparation of the financial statement are prudent & reasonable, actual results could differ from these estimates.

##### 1.3 FIXED ASSETS

Land, Factory Building and Plant & Machinery are stated at revalued amount less depreciation on cost of acquisition and other fixed assets are stated at cost less accumulated depreciation and impairment losses, if any

##### 1.4 DEPRECIATION

Depreciation on fixed assets have been provided on straight-line method and on prorata basis at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

In the case of revalued assets, depreciation has been charge on the original cost of asset.

##### 1.5 INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under.

- Raw material- cost includes direct expenses and is determined on the basis of weighted average method.
- Packing material- cost includes direct expenses and is determined on the basis of weighted average method.
- Work in progress –Includes cost of conversion and other costs incurred to bring the inventories in their present condition.
- Finished goods- cost includes raw material cost other overheads incurred to bring the goods to their present location and condition. Cost of finished goods also includes taxes, wherever applicable.

##### 1.6 REVENUE RECOGNITION

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sale of goods, service, adjusted for discount Interest Income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

##### 1.7 TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets/liability, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## SILVER OAK (INDIA) LIMITED 2013-2014

### 1.8 EMPLOYEE BENEFIT

- **Short Term Employee Benefits**

Short term employee benefits are recognized in the period during which the service have been rendered.

- **Long Term Employee Benefits**

(a) **Provident Fund & Employees state Insurance Scheme :**

As per the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 all eligible employees of the company are entitled to received benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administrated and managed by the Government of India. In addition ,some employees of the company are covered under Employees' State Insurance Act, 1948, which are also defined contribution schemes recognized and administrated by Government if India.

The Company's contributions to these schemes are recognized as expenses in profit and loss account during the period in which the employee renders the related service. The company has no further obligation under these plans beyond its monthly contribution.

(b) **Gratuity.**

The Company has provided for Gratuity in accordance with the AS-15 " Employee Benefits", the company has obtained group Gratuity Insurance Policy from LIC of India and Contribution are made to LIC's Recognized Group Gratuity Fund Scheme based on amount demanded by LIC of India to cover its Gratuity liability and making annual payment of the liability as calculated by them .

### 1.9. CONSISTENCY

These Financial statements have been prepared on basis consistent with previous years and accounting policies not specifically referred hereto are consistent with generally accepted accounting principles.

### 1.10. IMPAIRMENT OF ASSETS:

In accordance with the Accounting Standard (As-28) in " Impairment of Assets " issued by The Institute of Chartered accountants of India , during the year the company has reassessed its fixed assets and is of the view that no further impairment / reversal is considered to be necessary in view of its expected realizable .

### 1.11. SEGMENTAL REPORTING:

Being the company having only one line of operation and in accordance with the provision of AS- 17, the company has only one reportable segments consisting of manufacturing business of IMFL business. Hence Segmental reports are not furnished.

### 1.12. INVESTMENTS

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

### 1.13. BORROWING COST

Borrowing Costs directly attributed to acquisition of fixed assets are capitalized as a part of the cost of assets up to the date asset is put to use. if any Other Borrowing Costs are charged to the profit and loss account in the year in which they incurred.

### 1.14. PROVISION AND CONTINGENT LIABILITIES

- Contingent Liabilities are not recognised and are disclosed in notes.
- Provisions involving substantial degree of estimation in measurement are recognized when the present obligation resulting from past events gives rise to probability of outflow of resources embodying economic benefits on settlement.



SILVER OAK (INDIA) LIMITED 2013-2014

**Notes forming part of the financial statements**

**Note : 2**

**Shareholder's Funds -Share Capital**

<b>Particulars</b>	<b>Note No.</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Authorised Share Capital</b>		<b>Rs.</b>	<b>Rs.</b>
4250000 [Previous Year 4250000 ]Equity Shares of Rs.10/- each		42500000.00	42500000.00
		<u>42500000.00</u>	<u>42500000.00</u>
<b>Issued &amp; Subscribed Share Capital</b>			
3790200 [Previous Year 3790200] Equity Share of Rs. 10/-each		37902000.00	37902000.00
		<u>37902000.00</u>	<u>37902000.00</u>
<b>Paid up Share Capital</b>			
3790200 [Previous Year 37,90,200] Equity Share of Rs. 10/- each		37902000.00	37902000.00
<b>Total { Rs.}</b>		<u>37902000.00</u>	<u>37902000.00</u>

**2.2 Reconciliation of the number of shares outstanding is set out below :**

<b>Particulars</b>	<b>Note No.</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Shares outstanding at the beginning of the year		3790200	2446700
<b>Addition :</b>			
Re-issue of Forfeited Equity Share		0.00	1343500
Shares outstanding at the end of the year		<u>3790200</u>	<u>3790200</u>

**2.3 Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.3 Disclosure of More than 5% Shareholding**

<b>S.No.</b>	<b>Name of Shareholder</b>	<b>As at 31 March 2014</b>		<b>As at 31 March 2013</b>	
		<b>No. of Share held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
1	Sanjeev Dhody	782760	20.65%	782760	20.65%
3	Santosh Dhody	252440	6.66%	252440	6.66%



SILVER OAK (INDIA) LIMITED 2013-2014

**Notes forming part of the financial statements**

<b>Particulars</b>	<b>Note No.</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Note : 3</b>			
<b>RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
As per last Balance Sheet		6784000.00	6784000.00
<b>General Reserve</b>			
As per last Balance Sheet		1054945.45	1054945.45
<b>Securities Premium Reserve</b>			
As per last Balance Sheet		6717500.00	0.00
Add : Premium on Re-issue of forfeited Equity Shares		0.00	6717500.00
Closing Balance		<u>6717500.00</u>	<u>6717500.00</u>
<b>Profit &amp; Loss Account</b>			
Opening Balance		3468682.77	885750.45
Add : - Surplus [Deficit] in Statement of Profit & Loss		<u>-768477.72</u>	<u>2582932.32</u>
Closing Balance		<u>2700205.05</u>	<u>3468682.77</u>
<b>Total</b>		<u>17256650.50</u>	<u>18025128.22</u>

#. Capital Reserve of Rs.6784000 respresents forfeited of Equity shares of 26600 @ 7.50/- and 1316900 equity share @ 5/- each.

#.Securities Premium Reserve created on accout of 1343500 nos forfeited share re-issued at premium of Rs.5/- each .

**Note : 4**

**LONG TERM BORROWINGS**

**Secured**

Term Loans -from banks		1280400.49	1524762.37
<b>Total {Rs.}</b>		<u>1280400.49</u>	<u>1524762.37</u>

**Term loans are secured by hypothecation of vehicles comprised of :**

[1] Loan of 447500/- taken from HDFC Bank Ltd.during the financial year 2011-12 and carries interest @ 13.11% on reducing balance .The loan repayable in 48 equal monthly installments of Rs. 11900/- along with interest from the date of loan. Last installment is due in December, 2015.

[2] Loan of 1250000/- taken from Bank of Maharashtra during the financial year 2012-13 and carries interest @ 10.55% on reducing balance . The loan repayable in 84 equal monthly installments of Rs. 21500/- along with interest from the date of loan. Last installment is due in October 2020.

**Note : 5**

**OTHER LONG TERM LIABILITIES**

Other Payables **		92360.00	82540.00
<b>Total {Rs.}</b>		<u>92360.00</u>	<u>82540.00</u>

**\*\* Includes outstanding expenes**

SILVER OAK (INDIA) LIMITED 2013-2014

**Note : 6**

**Deferred Tax Liability**

Related to Fixed assets	1229255.48	1274102.48
<b>Total {Rs.}</b>	<u>1229255.48</u>	<u>1274102.48</u>

**Note : 7**

**SHORT TERM BORROWINGS**

Working Capital Loan From Banks {Secured ; considered Good}	8682908.32	8502897.97
<b>Total {Rs.}</b>	<u>8682908.32</u>	<u>8502897.97</u>

#. Rs.90 Lac of Working capital loan secured against hypothecation of Inventory, Trade Receivable , outstanding monies , receivable claims , bills invoice documents, contracts, guarantees ,rights , Plant & Machinery and collateral Security of immoavble properties Situated in Pithampur Dhar Plot No. 110. Sector 1 Industrial area owned by comapny on paripassu basis.

#. Personal Guarntee of Mr.Sanjeev Dodhy Pramotor of the company and his family members .

**Note : 8**

**TRADE PAYABLES**

Micro, Small and Medium Enterprises	0.00	0.00
Others	3186407.00	6038597.00
<b>Total {Rs.}</b>	<u>3186407.00</u>	<u>6038597.00</u>

#. The Company does not possess information as to which of suppliers are Micro ,Small and medium Scale Industrial Undertakings holding permanent registration certificate issued by the Directorate of Industries of a State or Union territory, Accordingly, the information regarding total outstanding dues to Micro Small and medium Scale Industrial undertakings as at the year end and that regarding the names of Micro Small and medium Scale Industrial Undertakings to whom the Company owes any amount . \*\*

**Note : 9**

**OTHER CURRENT LIABILITIES**

Liability for capital expenditure	220915.00	0.00
Creditors For Exprenses	2618573.00	2088568.00
Other Payables **	2281027.00	3288524.35
<b>Total {Rs.}</b>	<u>5120515.00</u>	<u>5377092.35</u>

\*\* Includes Advance from customers & Book overdraft

**Note : 10**

**Short-term Provisions**

Provision for Income - tax	0.00	1262000.00
Others Provisions		
Statutory dues	151838.00	32204.00
<b>Total {Rs.}</b>	<u>151838.00</u>	<u>1294204.00</u>

**SCHEDUAL "II" OF FIXED ASSETS FOR THE YEAR 2012-2013**

S. No	Description	Rate %	Gross Block			Accumulated Depreciation			Net Block			
			As at 01.04.2012	Additions/ Adjustment	Deduction/ Adjustment	As at 31.03.2014	As at 01.04.2013	For the Year	Deduction/ Adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
	TANGIBLE ASSETS											
	OWN ASSETS											
1	LAND		363938.00	0.00	0.00	363938.00	0.00	0.00	0.00	0.00	363938.00	363938.00
2	FACTORY BUILDING	3.34 %	6906473.40	0.00	0.00	6906473.40	2915959.42	161694.00	0.00	3077653.42	3828819.98	3990513.98
3	WELL	1.63 %	52746.10	0.00	0.00	52746.10	13752.98	549.00	0.00	14301.98	38444.12	38993.12
4	PLANT & MACHINERY	4.75 %	12254596.13	492030.00	0.00	12746626.13	5603794.70	452522.00	0.00	6056316.70	6690309.43	6650801.43
5	ELECTRIC INSTALLATION	4.75 %	253355.23	0.00	0.00	253355.23	109150.93	5129.00	0.00	114279.93	139075.30	144204.30
6	LABORATORY EQUIPMENTS	4.75 %	28685.20	0.00	0.00	28685.20	28684.20	0.00	0.00	28684.20	1.00	1.00
7	FURNITURE & FIXTURES	6.33 %	283905.00	0.00	0.00	283905.00	253188.00	17971.00	0.00	271159.00	12746.00	30717.00
8	FIRE EXTINGUISHERS	4.75 %	80909.00	0.00	0.00	80909.00	20490.83	3843.00	0.00	24333.83	56575.17	60418.17
9	VEHICLES	9.50 %	4006426.00	0.00	0.00	4006426.00	694039.00	380610.00	0.00	1074649.00	2931777.00	3312387.00
10	OFFICE EQUIPMENTS	4.75 %	300764.00	156706.00	0.00	457470.00	151191.00	18846.00	0.00	170037.00	287433.00	149573.00
11	COMPUTER & ACCESSORIES	16.2	119651.00	47200.00	0.00	166851.00	91405.00	22362.00	0.00	113767.00	53084.00	28246.00
	<b>Total { Rs. }</b>		<b>24651449.06</b>	<b>695936.00</b>	<b>0.00</b>	<b>25347385.06</b>	<b>9881656.06</b>	<b>1063526.00</b>	<b>0.00</b>	<b>10945182.06</b>	<b>14402203.00</b>	<b>14769793.00</b>
	<b>Previous Year</b>		23136500.06	1514949.00	0.00	24651449.06	8911898.06	969758.00	0.00	9881656.06	14769793.00	14224602.00

# . Gross Block includes Rs. 5427081.34/- added on revaluation on Land, Factory Building, Well, Plant & Machinery & Electric Installation as at 31.03.1993 based on report issued by valuers

SILVER OAK (INDIA) LIMITED 2013-2014

**Note :12**

**Long-term loans and advances**

[ Unsecured and Considered Goods ]

Security Deposits	1289229.00	89229.00
Balances with Statutory /revenue authorities	265300.00	1328250.00
<b>Total {Rs.}</b>	<u>1554529.00</u>	<u>1417479.00</u>

**Note :13**

**Inventories**

Raw Material **	1335472.00	2892171.00
Work-in-Process	650882.00	888197.00
Finished Goods	23534574.00	14297301.00
Packing Material	6167413.00	10099345.00
<b>Total {Rs.}</b>	<u>31688341.00</u>	<u>28177014.00</u>

\*\* Includes Consumable Goods

**Note :14**

**Trade Receivables**

**Trade receivables outstanding for period exceeding six months from the date they are due for payment**

Unsecured and Considered Good	1261537.00	1508450.00
Considered doubtful	1551059.00	1551059.00

**Other Trade receivables**

Secured, considered good	4859903.00	22000385.00
<b>Total {Rs.}</b>	<u>7672499.00</u>	<u>25059894.00</u>

#. Company has not made any provisions for doubtful trade receivable since management is of the opinion that same is recoverable and Step has been taken for recovery .

**Note :15**

**Cash and cash equivalents**

Cash in Hand	477362.00 #	468422.00
Balances with Schedule Banks		
In Current Account	7077121.95	2599820.54
Other Bank Balances		
Deposit with Banks #	858088.86	789731.86
<b>Total {Rs.}</b>	<u>8412572.81</u>	<u>3857974.40</u>

#. Fixed Deposits Rs. 8.58 Lac [ Previous Year Rs. 7.89 Lac ] are held with Govt. Authorities as guarantee or Security deposits .

#. Fixed Deposits includes Rs. 8.32 Lac [ Previous Year Rs. 7.64 Lac ] with original maturity period of less than 12 months .

SILVER OAK (INDIA) LIMITED 2013-2014

**Note :16**

**Short-term loans and advances**

**Other Loans & Advances**

[Unsecured and Considered Goods]

Balances with Statutory /revenue authorities	1068623.00	241439.00
Advance to Suppliers **#	7473451.40	4008083.40
Advance to Employess	0.00	200000.00
<b>Total {Rs.}</b>	<u>8542074.40</u>	<u>4449522.40</u>

\*\* Advance to Suppliers considered doubtful Rs. 2.90 Lac [ Previous Year Rs. Nil ]

#. Company has not made any provisions for doubtful advance since management is of the opinion that same is receoverble and Step has been taken for recovery .

**Note :17**

**Other Current Assets**

Prepaid Expenses	2630115.58	2287816.59
Advance for Expenses	0.00	1831.00
<b>Total {Rs.}</b>	<u>2630115.58</u>	<u>2289647.59</u>

**Note :18**

**Revenue from operations**

Sale of Products	71608704.00	146869549.00
Income From Services	0.00	13268521.00
<b>Total {Rs.}</b>	<u>71608704.00</u>	<u>160138070.00</u>

**Note :18.1**

**Particulars of Sale of Products**

Liquor - IMFL	66779004.00	143335250.00
Pharma - Medicin	4829700.00	3534299.00
<b>Total {Rs.}</b>	<u>71608704.00</u>	<u>146869549.00</u>

**Note :18.2**

**Particulars of Income from Services**

Contracual Receipt -Work contract ***	0.00	13268521.00
<b>Total {Rs.}</b>	<u>0.00</u>	<u>13268521.00</u>

\*\*\* Netted of Taxes

**Note :19**

**Other Income**

**Interest**

From Bank on Fixed Deposits	72744.00	41876.00
-----------------------------	----------	----------

**Other Non operating Income**

Sundry Balances written back	450037.00	896524.24
<b>Total Rs.</b>	<u>522781.00</u>	<u>938400.24</u>

SILVER OAK (INDIA) LIMITED 2013-2014

<b>Note :20</b>		
<b>Cost of materials consumed</b>		
Raw Material	24679417.00	44115579.00
Packing Material	20399763.00	47567281.00
<b>Total</b>	<u>45079180.00</u>	<u>91682860.00</u>
<b>Note No.20.1</b>		
<b>Particulars of materials consumed</b>		
Spirit	23330378.00	41211098.00
Suger	794054.00	2049321.00
Essences	80203.00	156962.00
Others	474782.00	698198.00
<b>Total</b>	<u>24679417.00</u>	<u>44115579.00</u>
<b>Note No. 20.2</b>		
<b>Particulars of Packing materials consumed</b>		
Caps	1853194.00	4134671.00
Lable	3105863.00	6010667.00
Bottels	12814232.00	25564913.00
Boxes	2626474.00	11857030.00
<b>Total</b>	<u>20399763.00</u>	<u>47567281.00</u>
<b>Note :21</b>		
<b>Purchase of Stock -in -trade</b>		
Pharma - Medicin	0.00	3432253.00
Plastic Scrap	4734000.00	0.00
<b>Total</b>	<u>4734000.00</u>	<u>3432253.00</u>
<b>Note :22</b>		
<b>Works contract Expenses</b>		
Materials Purchase	0.00	4263293.00
Freight Inwards	0.00	961388.00
Labour Charges	0.00	4248400.00
Entry Tax	0.00	74630.00
<b>Total</b>	<u>0.00</u>	<u>9547711.00</u>
<b>Note :23</b>		
<b>Particulars of Change in Inventories</b>		
<b>Inventories [ at Close ]</b>		
Finished Goods	23534574.00	14297301.00
Work-in process	650882.00	888197.00
	<u>24185456.00</u>	<u>15185498.00</u>

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<b>Less:- Inventories [ at Commencement ]</b>		
Finished Goods	14297301.00	17689220.00
Material - Works Contract	0.00	2443813.00
Work-in process	888197.00	707798.00
	<u>15185498.00</u>	<u>20840831.00</u>
<b>Total</b>	<u>-8999958.00</u>	<u>5655333.00</u>
<b>Note :24</b>		
<b>Employee Benefits Expenses</b>		
Salaries	4979502.00	5436503.00
Contribution to provident fund	60788.00	92834.00
Contribution to Employees State Insurance Fund	12169.00	32525.00
Staff Welfare Expenses	84136.00	102239.00
Gratuity	103206.00	296270.00
<b>Total</b>	<u>5239801.00</u>	<u>5960371.00</u>
<p>#.The Company has provided for Gratuity in accordance with the AS-15 " Employee Benefits", the company has obtained group Gratuity Insurance Policy from LIC of India and Contribution are made to LIC's Recognised Group Gratuity Fund Scheme based on amount demanded by LIC of India to cover its Gratuity liability and making annual payment of the liability as calculated by them .</p> <p>#. Contribution are made to Government Provident fund, ESIC which cover regular employee of the company. While both the employees and the company make predetermined contribution to the provident fund and ESIC as per the provision of said act.</p>		
<b>Note :25</b>		
<b>Finance cost</b>		
Interest Expenses	966276.12	1107963.60
Other Borrowing Cost	50580.00	50580.00
<b>Total</b>	<u>1016856.12</u>	<u>1158543.60</u>
<b>Note :26</b>		
<b>Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Freight Inward [Service Tax Payable]	558169.00	1081101.00
Bottling Fees	1762900.20	3060574.03
Export Fees	91432.81	29671.90
Lable Registration Fees	907500.00	305000.00
Testing Fees / Development charges	257609.00	200863.00
Misc. Factory Expenses	48762.00	27266.00
Power & Water charges	830684.00	795809.00
Repairs to machinery	500218.00	464623.00
Transport Fee	1268544.00	2385000.00
Bottling charges	856930.00	1473117.00
<b>Total- [A]</b>	<u>7082749.01</u>	<u>9823024.93</u>



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<b>Selling and Distribution Expenses</b>		
Freight Outward	3283755.00	3547245.00
Breakage/ Demerage charges	247768.00	131423.00
Sales Promotion	29000.00	18900.00
Target Discount - Rebate	9804530.00	19990395.00
Travelling	270559.00	665261.00
<b>Total [B]</b>	<u>13635612.00</u>	<u>24353224.00</u>
<b>Establishment Expenses</b>		
Advertisement	52964.00	91569.00
Bank Charges	54579.24	52202.00
Books & Periodicals	245.00	280.00
Electricity Charges	16042.00	25150.00
Insurance Charges	127600.00	127154.00
Licence & Fees	1659218.00	1786500.00
Office Expenses	230414.00	171305.00
Payments to Auditors	29680.00	24839.00
Postage, Telephone Expenses	262975.35	279874.50
Printing & Stationery	131609.00	101123.00
Professional Charges	285497.00	331289.00
Rate & Taxes	488512.00	1027830.00
Rent	420000.00	538000.00
Vehicle Running & Maintenance	333708.00	164620.00
<b>Total -[C]</b>	<u>4093043.59</u>	<u>4721735.50</u>
<b>Grand Total [A+B+C ]</b>	24811404.60	38897984.43
<b>26.1 Payment to Auditors as :</b>		
Statutory Audit Fee	12393.00	11030.00
Tax Audit	3718.00	3309.00
Other Services	13569.00	10500.00
<b>Total</b>	<u>29680.00</u>	<u>24839.00</u>
<b>Note :27</b>		
<b>Tax Expenses</b>		
Current Tax	0.00	1262000.00
Tax adjustment of an earlier year	0.00	12489.00
<b>Total</b>	<u>0.00</u>	<u>1274489.00</u>
<b>Note :28</b>		
<b>Earnings per equity share [ EPS ]</b>		
1) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	-768477.72	2582932.32
2) Weighted Average number of Equity shares used as denominator for calculating EPS	3790200.00	3790200.00
3) Basis and Diluted Earnings per share	-0.20	0.68
4) Face Value per equity share	10.00	10.00

SILVER OAK (INDIA) LIMITED 2013-2014

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2013 [CONTD.]

**29. Related party disclosure with following Accounting Standard -18**

Key Management Personnel and their relatives

Mr. Sanjeev Dodhy, Mr. Himanshu Dodhy, Neera Dodhy, Bhupendra singh

Particulars	Key Management Personnel	Relatives	Enterprises
Salaries	900000.00	600000.00	
Rent		420000.00	
Director remuneration	180000.00		

**30. CONTINGENT LIABILITIES**

- In the opinion of the Board of Directors, all the known liabilities have been accounted for
  - Contingent liability that may arise due to delayed / non-compliance of certain fiscal statutes amount unascertainable.
  - Contingent Liabilities [ to the extent not provided for ]  
[a] M.P. Excise matter , under disputes Rs. 12.68 Lac [ Previous Year Rs. 12.68 ]
  - The company does not possess information as to which of its suppliers are ancillary industrial undertaking / small scale industrial undertaking holding permanent registration certificate issued by the Directorate of Industries of a State or Union territory, consequently, the liability, if any, of interest which would be payable under. The interest on delayed payments to Small Scale and Ancillary Industrial Undertakings Act, 1992 cannot be ascertained. However, the Company has not received any claims in respect of interest.
31. Balance of Sundry Debtors, Sundry Creditors, Trade Deposit, Loan & Advances and others are subject to confirmation. However, in the opinion of the management these accounts will fetch the amount as stated in the books of accounts on realisation in the ordinary course of business.

32. 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

	2013-2014	2012-2013
(I) Licensed Capacity	1250640 Cases	1250640 Cases
(II) Installed Capacity	1250640 Cases	1250640 Cases
(III) Actual Production	136078 Cases	234767 Cases

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

i) Opening Stock

Qty. In Ltrs. ( At Pithampur )	55113.30	37157.70
Value In Rs. ( At Pithampur )	25,83,124.00	17,34,122.00
Value of Others	NIL	1,10,907.00

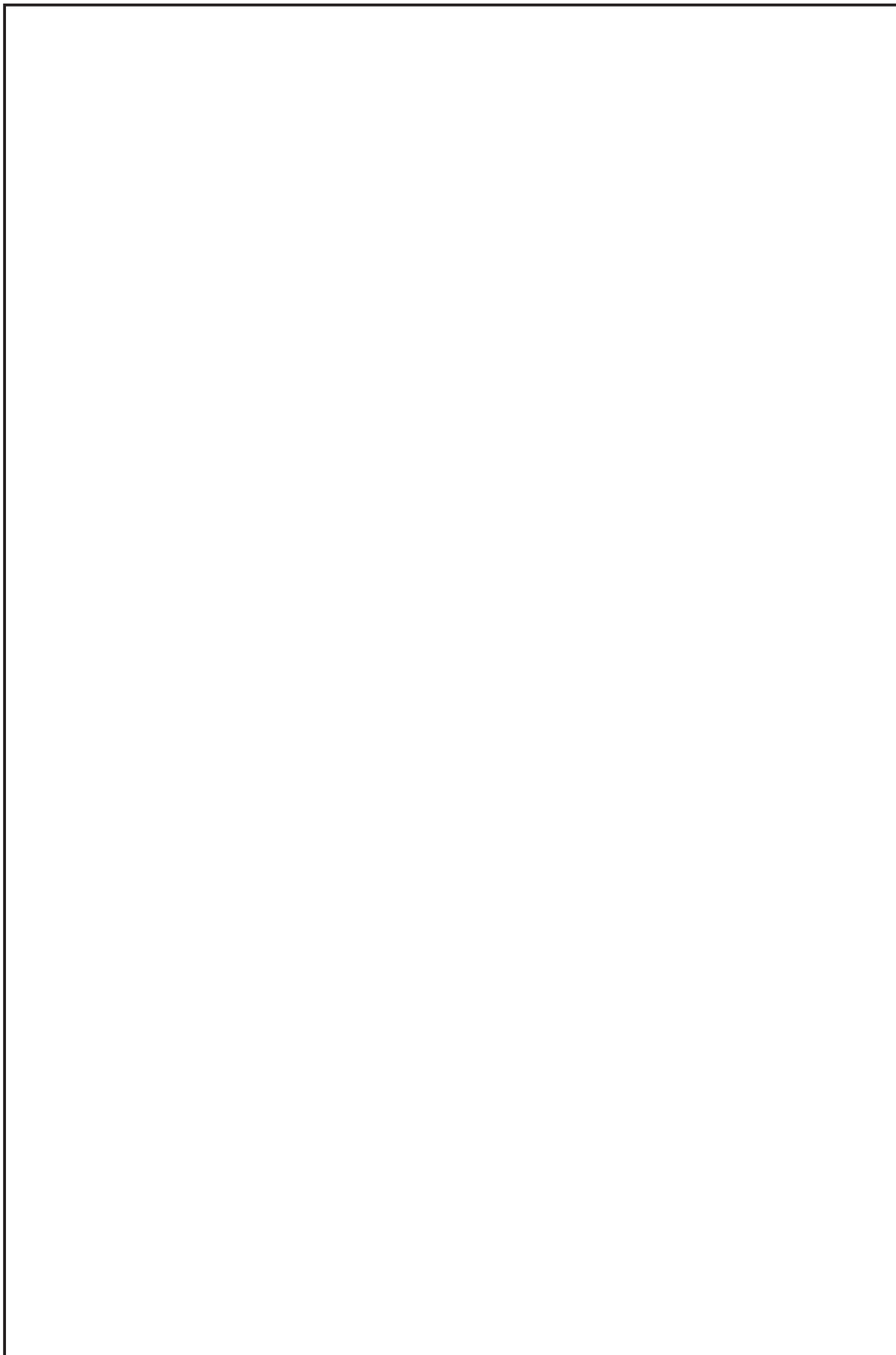
ii) Purchases

Qty. In Ltrs. ( At Pithampur )	492000.00	954000.00
Value In Rs. ( At Pithampur )	2,14,20,000.00	4,20,60,000.00
Value of Others	8,10,554.00	19,38,414.00

*SILVER OAK (INDIA) LIMITED 2013-2014*

iii) Consumption		
Qty. In Ltrs. ( At Pithampur )	533210.8	936044.00
Value In Rs. ( At Pithampur )	2,33,30,478.00	4,12,10,998.00
Value of Others	7,94,054.00	20,49,321.00
iv) Closing Stock		
Qty. In Ltrs. ( At Pithampur )	13902.50	55113.30
Value In Rs. ( At Pithampur )	6,72,646.00	25,83,124.00
Value of Others	16,500.00	NIL
b (ii) Details of Raw Material (Pharma Division)		
i) Opening Stock		
Value In Rs. ( At Pithampur )	1,47,428.00	1,47,428.00
ii) Purchases		
Value In Rs. ( At Pithampur )	NIL	NIL
iii) Consumption		
Value In Rs. ( At Pithampur )	NIL	NIL
iii) Closing Stock		
Value In Rs. ( At Pithampur )	1,47,428.00	1,47,428.00
<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
C. I.M.F.L.		
i) Opening Stock		
Quantity	33692.00 Cases	43871.00 Cases
Value In Rs.	1,42,97,301.00	1,76,89,220.00
ii) Sales		
Quantity	112786.00 Cases	245610.00 Cases
Value In Rs.	6.67.79.004.00	14,33,35,250.00
iii) Closing Stock		
Quantity	56741.00 Cases	33692.00 Cases
Value In Rs.	2,35,34,574.00	1,42,97,301.00
33. Expenditure & Earning in foreign currency Rs. Nil [ Previous Year Rs. Nil ]		
34. Previous year's figures have been regrouped /reclassified wherever necessary to confirm to current year's classification.		
As per our report of even date attached		
<b>FOR O.T. GANDHI &amp; COMPANY</b>		<b>For and on behalf of the Board</b>
Chartered Accountants		
Firm Registration No. 001120C		<b>Bhupendra Singh</b>
		Whole Time Director
<b>Sameep Gandhi</b>		
Partner		<b>Chachal Rai</b>
Membership No. 411107		Director
Place : Indore		
Dated : May 29, 2014		

*SILVER OAK (INDIA) LIMITED 2013-2014*



**Form No. MGT-11  
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:

Name of the company:

Registered office:

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ..... shares of the above named company, 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:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtieth Annual general meeting of the company, to be held on the Saturday day of September, 27 2014 At 11 a.m. at Plot No.110, Sector-I, Industrial Area, Pithampur-454775, Dist. Dhar (M.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

SILVER OAK (INDIA) LIMITED 2013-2014

		Optional	
		For	Against
1.	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.		
2.	To reappoint of Shri Bhupendra Singh, as a director.		
3.	Appointment of M/s O. T. Gandhi & Company, Chartered Accountants as Statutory Auditors of the Company and fixing their remuneration		
4.	Appointment of Mr. Chanchal Rai as an Independent Director of the Company.		
5.	Appointment of Mr. shyam Alawe as an Independent Director of the Company.		
6.	Special Resolution under Section 14 of the Companies Act, 2013 for adoption of new set of Articles of Association of the Company pursuant to Companies Act, 2013.		
7.	Ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.		
8.	Mr. Santosh Kumar Singh , Director liable to retire by rotation, who does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up		

Signature of shareholder

Signature of Proxy holder(s)

**Notes:**

1. 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 Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 23rd Annual General Meeting.
3. The Company reserves its right to ask for identification of the proxy.
4. The proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company /depository participant.

Affix  
Revenue  
Stamp