

# **SILVER OAK (INDIA) LIMITED**

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## ***36<sup>TH</sup> ANNUAL REPORT & ACCOUNTS 2019-20***

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# SILVER OAK (INDIA) LIMITED

**CIN: L11531MP1984PLC002635**

**Reg. Office:** Plot No.110, Sector-I, Industrial Area, Pithampur-454775, Dist. Dhar (M.P.)

## THIRTY SIXTH ANNUAL REPORT 2019-20

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<b>BOARD OF DIRECTORS</b>	1. Shri Shirish Jaltare 2. Smt Leela Kalyani 3. Shri Suresh Kejriwal 4. Shri Prakash Kumar Gadia 5. Shri Deepak Meena 6. Shri Sunil Khandelwal	- - - - - -	Whole-time Director Director Director Director Company Secretary Chief Financial Officer
<b>AUDITORS</b>	M/s Mahendra Badjatya And Company Chartered Accountants, Indore		
<b>SECRETARIAL AUDITORS</b>	CS Varun Bhomia Practicing Company Secretary Indore		
<b>INTERNAL AUDITORS</b>	A.B. Doshi Chartered Accountant Indore		
<b>LISTING</b>	Bombay Stock Exchange Limited,		
<b>REGISTERED OFFICE</b>	Plot No. 110, Sector-1, Industrial Area, Pithampur, Dist. Dhār (M.P.)		
<b>CORPORATE OFFICE</b>	Princes Business Sky Park, Block No 412, Scheme No 54 PU-3, Commercial, Opposite Orbit Mall, A.B. Road Indore 452010 MP IN		
<b>BANKERS</b>	State Bank of India, Kanchan Bagh Branch, Indore		

**SILVER OAK (INDIA) LIMITED**  
**CIN: L11531MP1984PLC002635**

**Reg. Office:** Plot No.110, Sector-I, Industrial Area, Pithampur-454775, Dist. Dhar (M.P.)  
Ph: 2577040, 4023742, Telefax: 91-731-2577040 email: silveroak.indore@gmail.com

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**NOTICE OF 36<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Thirty Sixth Annual General Meeting of the Company will be held on **Monday, 28<sup>th</sup> day of September, 2020 at 03.00 P. M.** through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following businesses:

The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Registered Office of the Company at Plot No. 110, Industrial Area, Sector-I, Pithampur- 454 775, Dist. Dhar (M.P.) which shall be the deemed venue of the AGM.:

**ORDINARY BUSINESS:**

**1. ADOPTION AND APPROVAL OF ACCOUNTS:**

To receive, consider and adopt the Audited Financial Statement (including the Consolidated financial Statements) of the Company for the year ended 31<sup>st</sup> March , 2020 together with the Reports of the Directors and Auditors thereon and if thought fit , pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March , 2020 together with the directors' report and the auditors' report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted.

**RESOLVED THAT** the Audited Consolidated Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2020 together with the auditors' report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted."

**2. TO APPOINT A DIRECTOR IN PLACE OF MR. SHIRISH JALTARE (DIN: 00070935) WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-ELECTION.**

To appoint Mr. Shirish Jaltare (DIN: 00070935) Director of the Company, who retires by rotation and being eligible offers himself for reappointment, in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions, if any of the Companies Act , 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Shirish Jaltare (DIN: 00070935), who retires by rotation from the Board of Directors and being eligible for re-appointment , be and is hereby re-appointed as a Director of the Company and whose office shall be liable to be retire by rotation."

**SPECIAL BUSINESS:**

**3. APPOINTMENT OF MR. VIVEK CHIBBA AS A DIRECTOR:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Vivek Chibba (DIN: 06466844), who was appointed as Additional Director on August 14<sup>th</sup>, 2020 and in respect of whom the Company has received a notice in

writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197 and any other applicable provisions of the Companies Act, 2013 read with schedule V of to the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to approval of the Members of the Company be and is hereby accorded to waive the recovery of the amount paid as managerial remuneration to Mr. Vivek Chibba (DIN: 06466844) , Director of the Company, in excess of remuneration limits prescribed in Sections 197 read with schedule V of to the Companies Act, 2013 as set out in the explanatory statement attached hereto and forming part of this notice.

**“RESOLVED FURTHER THAT** in the event of no profit or the profit of the company is inadequate, during the currency of tenure of managerial personnel, the company may pay remuneration to the managerial remuneration in excess of remuneration limits prescribed under section II of the Schedule V of the Companies Act, 2013 subject to approval of the Members of the Company.

**RESOLVED FURTHER THAT** Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

**By order of the Board of Directors**

Place: Indore (M.P.)  
Date: 05.09.2020  
SILVER OAK (INDIA) LTD.  
**CIN: L11531MP1984PLC002635**

**Deepak Meena**  
**Company Secretary**

## NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.silveroakindia.co.in](http://www.silveroakindia.co.in) . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. Pursuant to the provision of the Act, 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. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice

10. Institutional/Corporate Shareholders (i.e. other than individuals/HUF NRI, etc.) are required to send a certified copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address at [bhomiavarun@gmail.com](mailto:bhomiavarun@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
11. Corporate Members intending to send their authorized representatives to attend and vote at the Meeting Pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 22<sup>nd</sup> September, 2020 to Monday, 28<sup>th</sup> September, 2020 (Both days inclusive).
13. As per Circular No. MRD/DOP/CIR-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India(SEBI), it is mandatory to quote Permanent Account Number (PAN) for Participating in securities market. Therefore, Members holding shares in demat form are requested to submit PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Ankit Consultancy Pvt Ltd.
14. 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.
15. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of their Folios.
16. 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.
17. **Reappointment of Director:**
  - i) **Mr. Shirish Jaltare (DIN: 00070935)** Director of the company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
18. 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 and will also be available for inspection at the meeting.
19. Shareholders seeking any information with regard to accounts requested to write to the Company at the earliest so as to enable the management to keep the information ready.

**By order of the Board of Directors**

Place: Indore (M.P.)  
Date: 05.09.2020  
SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635

**Deepak Meena**  
**Company Secretary**

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

- (i) The voting period begins on 25<sup>th</sup> September 2020 at 9.00 A.M. and ends on 27<sup>th</sup> September, 2020 at 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.OR

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

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

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

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

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [silveroak.indore@gmail.com](mailto:silveroak.indore@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

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



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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [silveroak.indore@gmail.com](mailto:silveroak.indore@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

- (xxi) Mr. Varun Bhomia (Membership No. FCS 9144), Practicing Company Secretary, Indore has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
- (xxii) The Scrutinizer shall after scrutinizing the vote cast at the AGM (Poll) and through Remote E-Voting not later than 48 hours from conclusion of AGM, make and submit a consolidated scrutinizers report to the Chairman. The Results declared along with the consolidated scrutinizers report shall be placed on the website of the company and CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the company's shares are listed.
- (xxiii) The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 28th September, 2020 subject to receipt of the requisite number of votes in favour of the Resolutions.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

**ITEM NO.3**

**Appointment of Mr. Vivek Chibba as Director:**

Board of directors of the Company through resolution passed on August 14<sup>th</sup>, 2020 has appointed Mr. Vivek Chibba as Additional Director of the Company and Mr. Vivek Chibba holds office of the Director till the conclusion of next Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Vivek Chibba as Director of the Company.

Brief profile of Mr. Vivek Chibba is given below for reference of the member:

Mr. Vivek Chibba has over 25 years of experience in the field of Liquor Industry.

The Members at their 36<sup>th</sup> Annual General Meeting held on Monday, 28<sup>th</sup> day of September, 2020, by way of special resolution ratified and approved remuneration of Rs. 25,00,000 (Rupees Twenty Five Lakhs only) and waived for recovery of excess managerial remuneration paid to Mr. Vivek Chibba , Director of the Company.

Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a special resolution and without requiring the approval of the Central Government (as was previously required under Section 197 read with Schedule V to the Act).

Pursuant to the provisions of the Amendment Act the waiver of recovery of such excess remuneration now requires the approval of the Members of the Company through a special resolution in accordance with the provisions of the Amendment Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Vivek Chibba is concerned or interested, financial or otherwise, in the resolution.

Since the Amendment Act mandates that the Company is required to obtain requisite approvals from the members, the Board recommends the Special Resolution as set out in Item No. 3 of the Notice for approval of the members.

**By order of the Board of Directors**

Place: Indore (M.P.)  
Date: 05.09.2020  
SILVER OAK (INDIA) LTD.  
**CIN: L11531MP1984PLC002635**

**Deepak Meena**  
**Company Secretary**

**SILVER OAK (INDIA) LIMITED**  
**CIN: L11531MP1984PLC002635**

**Reg. Office:** Plot No.110, Sector-I, Industrial Area, Pithampur-454775, Dist. Dhar (M.P.)  
Ph: 2577040, 4023742, Telefax: 91-731-2577040 email: silveroak.indore@gmail.com

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**DIRECTORS' REPORT**

To  
Dear Members,

The Directors present the 36<sup>th</sup> Annual Report of **SILVER OAK (INDIA) LIMITED**(the Company) along with the audited financial statements for the financial year ended March 31, 2020. The consolidated performance of the Company has been referred to wherever required.

**1. Financial results**

**a) Standalone figures:**

Particulars	2019-20	2018-19
	(Rs. in Lacs)	
Sales and other Income	2.88	46.20
Profit/(Loss) before Depreciation	(74.35)	(143.60)
Interest	56.43	42.66
Depreciation	6.66	8.82
Profit/(Loss) before Tax	(137.44)	(195.08)
Less: Exceptional Item	212.43	0
Less: Provision for Tax	0	0
Net Profit/(loss) for the year	(349.88)	(195.08)
Profit/(Loss) brought forward from previous year	(460.47)	(265.39)
Balance carried to Balance Sheet	(810.35)	(460.47)

**b) Consolidated figures:**

Particulars	2019-20	2018-19
	Sales and other Income	112.58
Profit/(Loss) before Depreciation	(295.94)	(164.96)
Interest	58.52	42.88
Depreciation	17.06	11.36
Profit/(Loss) before Tax	(371.52)	(219.20)
Less: Provision for Tax	2.97	14.42
Net Profit/(loss) for the year	(374.49)	(233.62)

**2. COVID-19**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY 2020, the strong balance sheet position, best-in-class profitability and inherent resilience of the business model position the Company well to navigate the challenges ahead and gain market share.

**SILVER OAK (INDIA) LIMITED**  
**CIN: L11531MP1984PLC002635**

**Reg. Office:** Plot No.110, Sector-I, Industrial Area, Pithampur-454775, Dist. Dhar (M.P.)  
Ph: 2577040, 4023742, Telefax: 91-731-2577040 email: silveroak.indore@gmail.com

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### **3. Dividend**

The Company has incurred a Net loss of Rs 374.49 Lacs during the financial year 2019-20 and further in view of the future expansion plan and other business activities your directors have decided not to recommend any dividend for the year ended 31<sup>st</sup> March, 2020.

### **4. Going Concern Status**

During the year under review, there were no significant or material orders passed by any regulators or court or tribunal, which can impact the going concern status of the company and /or its future operations.

### **5. Share Capital**

The paid up equity share capital of the Company as on 31<sup>st</sup> March, 2020 stood at Rs. 3,79,02,000/- (Three Crore Seventy Nine Lac Two Thousand Only). During the year under review, the Company has neither issued shares with differential voting rights nor granted any stock options / sweat equity. Mrs. Leela Kalyani, Director of the Company holds 4.88% of shares of the Company as on the date of this report.

During the year under review, no Stock Options were granted, vested or exercised. No Stock Options are in force as on date. Hence, there are no disclosures required to be made pursuant to the applicable requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### **6. Insurance**

Your company has taken all the necessary steps to insure its properties and insurable interests, as deemed appropriate and also as required under the various legislative enactments.

### **7. Transfer to reserves**

The Company has not created any reserves during the financial year 2019-20.

### **8. Company's performance**

Your Company has incurred a net loss of Rs. 349.88 Lacs on standalone basis, during the Financial Year 2019-20 as against the loss of Rs. 195.08 Lacs on standalone basis during the Financial Year 2018-19, after taking into account interest, depreciation, prior period adjustments and exceptional items.

### **9. Human resource development**

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth.

### **10. Borrowings**

The Total term Loan amount of the company on standalone basis as on 31.03.2020 is 7,15,09,393 (Seven Crores Fifteen Lacs Nine Thousand Three hundred Ninety Three Only) as against 4,17,00,977 (Four Crores Seventeen lacs Nine hundred Seventy Seven Only) loan amount as on 31.03.2019.

### **11. Industry Overview**

India is one of the fastest-growing alcohol markets in the world. Rapid increase in urban population, a sizable middle-class population with increasing spending power, and a sound economy are certain significant reasons behind the increase in alcohol consumption in India. The

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Indian alcohol industry is segmented into IMFL (Indian made foreign liquor), IMIL (Indian made Indian liquor), wine, beer and imported alcohol. Imported alcohol accounts for a meager share of around 0.8% of the Indian market.

India is the largest consumer of whiskey in the world and constitutes about 60% of the IMFL market. Though India is one of the largest consumers of alcohol in the world owing to its huge population, the per capita alcohol consumption of India is low compared to Western countries. The most popular channel of alcohol sale in India is the liquor store; alcohol consumption is primarily an outdoor activity and supermarkets and malls are present only in Tier I and Tier II cities of India. The trends and patterns of alcohol consumption are changing in the country. With the increasing acceptance of women consuming alcohol, growing popularity of wine and high demand for expensive liquor, the market scenario seems to be optimistic.

### **12. Business Outlook/ Future Projects**

Your company is making continuous endeavour to enter into new area of market. The high standard and development will ensure cost reduction and cost control which preliminary affect the bottom line of the company.

### **13. Directors' responsibility statement**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

### **14. Directors and key managerial personnel**

Each of the Independent Directors have furnished their declarations of independence, as required pursuant to the provisions of section 149(6) of the Act, stating that he/she meet, the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

Mr. Vivek Chibba (DIN: 06466844) was appointed as an Additional Executive Director and Chief Executive Officer of the Company in the Board Meeting held on 14<sup>th</sup> August, 2020.

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Mr. Shirish Jaltare retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are:

1. Mr. Shirish Jaltare (Whole Time Director),
2. Mr. Sunil Khandelwal (Chief Financial Officer),
3. Mr. Vivek Chibba (Chief Executive Officer),
4. Mr. Deepak Meena (Company Secretary and compliance officer) .

#### **15. Profile Of The Directors Seeking Appointment / Reappointment:**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following Directors are liable to retire by rotation and seeking appointment / reappointment at the ensuing Annual General Meeting is annexed to the notice convening 36<sup>th</sup> Annual General Meeting. Mr. Shirish Jaltare (Whole Time Director) is liable to retire/reappoint in ensuing Annual General Meeting.

#### **16. Number of meetings of the Board**

Four meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

#### **17. Managerial Remuneration:**

Disclosures of the ratio of Remuneration of each director to the median employee's remuneration and other details as required with respect to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014 are given in the Annexure of the Director Report.

The Detail of remuneration paid to the directors including executive directors of the Company are given in Form MGT9 available on the website of the company at [www.silveroakindia.co.in](http://www.silveroakindia.co.in) .

#### **18. Board evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

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In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

#### **19. Policy on directors' appointment and remuneration and other details**

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report. The Policy may be referred to at the Company's website at ([www.silveroakindia.co.in](http://www.silveroakindia.co.in)).

#### **20. Audit committee**

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

#### **21. Statutory Auditors**

M/s Mahendra Badjatya And Company, Chartered Accountants, Indore, have been appointed as Auditors of the company, to hold office from the conclusion of 33<sup>rd</sup> Annual General Meeting till the conclusion of Thirty Eighth Annual General Meeting of the Company.

As reported earlier, in terms of the Companies Amendment Act, 2017 read with Notification S.O. 1833(E) dated 7th May 2018 read with The Companies (Audit and Auditors) 2nd Amendment Rules, 2018 alongwith its corrigendum dated 17th May, 2018 delete rules and provisions relating to annual ratification of the appointment of auditor. Now during a single term of 5 years, there are no requirement for ratification of the appointment of auditor. They will be continue as statutory auditors of the company.

#### **22. Secretarial Auditor**

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Varun Bhomia, Company Secretary in Practice, Indore has been appointed by the Board of Directors to conduct the audit of the secretarial records of the company for the year ended 2019-20.

#### **23. Auditor's report and Secretarial audit report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

#### **1. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, Mr. Varun Bhomia, Company Secretary in Practice, Indore has been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure VII to this report. The report is self-explanatory and do not call for any further comments.

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## **2. Secretarial Compliance Report**

In terms of SEBI (LODR) 2015 the company have appointed Mr. Varun Bhomia, to issue a compliance report in respect of complainece of various rules, notices, circulars, notification etc. issued by BSE SEBI from time totime.

During the year a company have complied all the circulars, notices, notification issued under various SEBI Act and Regulations, which are applicable for the company. The report is self-explanatory and do not call for any further comments.

## **3. Internal Audit & Controls**

The Company continues to engage M/s A.B. Doshi & Co., Chartered Accountants, Indore as its Internal Auditor for the Financial year 2019-20. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Pursuant to provision of section 138 of the Companiesact, 2013 The Audit Committee of the Board of Directors in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodologies for conducting the Internal Audit subject to terms and conditions as decided by the Audit Committee.Your company wish to continue to engage M/s A.B. Doshi & Co., Chartered Accountants, Indore, as its Internal Auditor for the financial year 2020-21.

## **24. Cost Auditor**

The Ministry of Corporate Affairs (MCA) vides Notification dated 31<sup>st</sup> December, 2014 made amendment in the Companies (Cost Records and Audit) Rules, 2014, through Companies (Cost Records and Audit) Amendment Rules, 2014. As per the said amendment rules, our Company is exempted from the requirement to conduct Cost Audit. Therefore, the Company did not appointed Cost Auditor for financial year 2018-19.

## **25. Risk management**

The Company has established a well-defined process of risk management, wherein the identification, analysis andassessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on theoperations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures,which is carried out by a reputed firm of Chartered Accountants. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of the internal controls.

## **26. Vigil Mechanism**

The Company has a vigil mechanism named Whistle Bowler Policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns an Experts Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

The Vigil Mechanism comprises three policies viz.,



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- i. the Whistle Blower Policy for Directors & Employees,
- ii. Whistle Blower Policy for Vendors and
- iii. Whistle Blower Reward & Recognition Policy for Employees.

The constitution of the committee during the financial year under review is as follows:

<b>Name of the Director</b>	<b>Category</b>
Mr. Suresh Kejriwal	Independent Director
Mr. Prakash Kumar Gadia	Independent Director
Mr. Shirish Jaltare	Executive Director

### **27. Particulars of loans, guarantees and investments**

During the year under review, the Company has not given any loan or provided guarantees or made any investments as prescribed under Section 186 of the Companies Act, 2013.

### **28. Transactions with related parties**

The Company has entered into transaction with the related party during the financial year 2019-20 with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 and the Statutory auditors of the company has also verified in its through its Auditor's Report that the related party transactions are undertaken at Arm's Length Price. Details of the transactions are disclosed in Form AOC 2 as Annexure "G".

### **29. Corporate Social Responsibility**

Corporate Social Responsibility spending not to be applicable to the Company as the turnover/net worth is below the threshold limit.

### **30. Extract of annual return**

The extract of Annual Return in Form MGT 9 as required under Section 92 (2) of the act, (as amended) read with Rule 12 of the Companies ( Management and Administration) Rules 2014 (as amended) is available at the website of the Company at [www.silveroakindia.co.in](http://www.silveroakindia.co.in).

### **31. CEO/CFO Certification:**

Certificate obtained from Mr. Shirish Jaltare, Whole-time Director and Mr. Sunil Khandelwal, Chief Financial Officer, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review has been duly placed before the board and a copy of the certificate on the financial statements for the year ended March 31, 2020 is annexed as annexure "D" along with this report.

### **32. Ratio Of The Remuneration Of Each Director To The Median Remuneration Of The Employees Of The Company:**

Pursuant to the provisions of Section 197(12) read with Rule 5 of (Appointment and remuneration of managerial Personnel) Rules, 2014, the details is given in Annexure "I".

### **33. Particulars of employees**

Pursuant to Section 197 of Companies act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, Remuneration paid to all the Key Managerial Personnel was in accordance with remuneration Policy adopted by the Company.

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Particulars of Employee of the company who are covered by the provisions contained in Rule 5(2) and Rule 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under.

Employee throughout the Year : Nil

Employee for part of the year : Nil

**34. Details Of Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**35. Prevention Of Insider Trading:**

In terms of SEBI (Prohibition of Insider Trading) Regulation, 2018 The Company has revised its Code of Conduct for Prevention of Insider Trading alongwith adoption of Policy for Legitimate purpose with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**36. Subsidiary Companies:**

During the financial year 2019-20, there is no change in the material subsidiary, the Company's investment in M/s APT Infrastructure Private Limited (CIN: U45400DL2007PTC170319), which is a subsidiary to your company stands at 6,00,000 (Six lacs) Equity shares of Rs. 10 (Rupees ten only) each for Rs. 60,00,000/- (Sixty lacs only) and also 7,000 (Seven thousand) convertible debentures for Rs. 1,50,47,083 (One Crore Fifty lacs forty seven thousand and eighty three only).

Statement containing salient features of the financial statement of subsidiary company pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) has been annexed with this report as "Annexure "K".

**37. Listing Of Equity Shares On Stock Exchanges:**

The Company's shares are listed in Bombay Stock Exchange Limited with Security Code 531635 and ISIN INE870J01019.

**38. Deposits from public:**

The Company has not accepted any deposits from public.

**39. Independent Directors' Meeting And Familiarization Programme:**

In terms of SEBI Regulation, 2015, a meeting of Independent Directors was held in absence of Non-Independent Directors and members of the Management. The Meeting was held inter-alia, with a view to review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The details of Independent Directors' Meeting and familiarization program are stated in the Corporate Governance Report.

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#### **40. Adequacy Of Internal Financial Control**

The Company has in place adequate internal financial control with reference to financial statements. Periodic audit is undertaken on continuous basis covering all the major operations. Reports of the Internal Auditors are reviewed by the management from time to time and desired actions are initiated to strengthen the control and effectiveness of the system. During the year, such control was tested and no reportable material weaknesses were observed in the design or operation.

The Internal financial control with reference to financial statement as designed and implemented by the company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the company for inefficiency of such control.

#### **41. Internal Control System And Their Adequacy**

The Internal Control System provides for well documented policies/guidelines, authorization and approval procedures. Considering the nature of its business and size of operation, your company through its internal auditor carried out periodic audit based on the plan approved by the audit committee.

The Summary of the Internal Audit observation and the status of the implementation are submitted to the Audit Committee. The status of implementation of the recommendation is reviewed by the Audit Committee on a regular basis and desired action are initiated to strengthen the control and effectiveness of the system. Concerns, if any, reported to the board.

#### **42. Disclosure As Per The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

#### **43. Policies As Per Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015**

Pursuant to requirements of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has adopted the following policies currently which are available on the portal of the company ([www.silveroakindia.co.in](http://www.silveroakindia.co.in)).

- Policy for Preservation of Documents.
- Policy for Determination and Disclosure of Material Events.
- Policy on Remuneration of Directors and Key Managerial personal.
- Archival Policy.
- Policy on Material Related Party Transactions.
- Internal financial control policy.
- Terms and condition of appointment of Independent Directors
- Policy on Sexual harassment of Women at Workplace.
- Code of Insider Trading.

#### **44. Green Initiative**

Your Directors would like to draw your attention to section 20 of the Companies act, 2013 read with the Companies(Management and administration) Rules, 2014 as may be amended from time to time which permit the paperless compliances and also service of notice/documents (including annual report) through electronic mode to its shareholders.

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Your Directors hereby once again appeal to all those members who have not registered their e mail address so far are requested to register their email address in respect of electronic holding with their concerned Depository participants and /or with the Company.

#### **45. Health Safety And Environment**

Your company recognizes the protection and management of environments as one of the highest priorities and every effort is made to conserve and protect the environment. During the year, your company continued its focus in creating a aesthetic, environment friendly, Industrial habitat in its factory units, mobilizing support generating interest among staff and labors for maintaining hygienic and green surroundings.

#### **46. Business Responsibility Report**

The business responsibility reporting as required by regulation 34(2) (f) of the SEBI (listing obligations and disclosure requirements) regulations, 2015 is not applicable to your company for the financial year ending March 31, 2020.

#### **47. Management Discussion And Analysis Report**

##### *A) Industry Structure & Development and Outlook*

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

##### *B) Opportunities & Threats, Risks & Concerns*

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

##### *C) Internal Controls and their adequacy*

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

##### *D) Human Resource and Industrial Relations*

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

#### **48. Code Of Conduct:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.silveroakindia.co.in](http://www.silveroakindia.co.in). The Code

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laysdown the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

**49. Conservation of energy, technology absorption, foreign exchange earnings and outgo**

**Conservation of energy:**

Information in respect of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo pursuant to provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, for the financial year ended 31.03.2020, is attached as Annexure " A" which forms part of this Report.

**50. Appreciation**

Your Directors wish to acknowledge the co-operation and assistance extended to the company by the Company's Banker and state and Central Government agencies. Your directors also acknowledge with gratitude the support of the shareholders customers, dealers, agents and suppliers for their continued faith and support in the company and its management.

**51. General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

1. No issue of equity shares with differential right as to dividend, voting or otherwise.
2. There is no Employees' Stock Option Scheme (ESOS).
3. The Company has not issued any Sweat Equity Shares.

**FOR SILVER OAK (INDIA) LTD.**  
**CIN: L11531MP1984PLC002635**

**Place: Indore (M.P.)**  
**Date : 05<sup>th</sup> September, 2019**  
SILVER OAK (INDIA) LTD.  
**CIN: L11531MP1984PLC002635**

**Sd/-**  
**Leela Kalyani**  
**Director**  
DIN: 06625369

**Sd/-**  
**Shirish Jaltare**  
**Director**  
DIN: 00070935

## ANNEXURE-A

Information under Section 134 of Companies Act, 2013 read with Companies (Accounts) Rules,2014 forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2020.

### FORM "A"

#### CONSERVATION OF ENERGY:

##### A. Electricity Consumption:

1. Electricity	Current Year 2019-20	Previous Year 2018-19
<b>(a) Purchased:</b>		
(i) Units Purchased :	45660	43890
(ii) Total Amount (Rs.) :	528070	493791
(iii) Power cost per unit(Rs.) :	11.56	11.25
<b>(b) Own Generation:</b>		
Through D.G.Set :	NIL	NIL
(i) Production in Cases :	NIL	3011
(ii) Units consumption per case :	-	14.58
(iii) Cost of power per case (Rs.) :	-	164

##### B. Technology Absorption, Adaptation and Innovation, Research and Development:

###### Specific Areas in which R&D:

The Company is engaged in the activity of bottling of Liquor for which and benefits derived as a technology has established Result thereof in several years. Therefore, no further research is being carried out.

##### C. Foreign Exchange Earnings and Outgo:

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

FOR SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635

Place: Indore (M.P.)  
Date : 05<sup>th</sup> September, 2019  
SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635

Sd/-  
Leela Kalyani  
Director  
DIN: 06625369

Sd/-  
Shirish Jaltare  
Director  
DIN: 00070935

# **ANNEXURE B**

## **REPORT ON CORPORATE GOVERNANCE**

A report on Corporate Governance is set out in compliance with the Corporate Governance requirements as stipulated in Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”).

### **OUR CORPORATE GOVERNANCE PHILOSOPHY**

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are keys to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of Silver Oak (‘the Company’). We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At Silver Oak, the Board of Directors (‘the Board’) is at the core of our corporate governance practice. The Board oversees the Management’s functions and protects the long-term interests of our stakeholders. As on March 31, 2020, the Board comprised 4 members, of which two members are independent directors. An independent director is nominated as the chairperson of each of the Board committees, namely audit, nomination and remuneration, stakeholder relationship.

### **CORPORATE GOVERNANCE GUIDELINES:**

Over the years, The Board has adopted the Silver Oak Guidelines on Board Effectiveness to help fulfil its corporate governance responsibility towards stakeholders. These guidelines ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations. Further, these guidelines allow the Board to make decisions that are independent of the Management.

### **Report on Corporate Governance:**

- A. Key Responsibilities
- B. Board of Directors
- C. Committee of the Board of Directors
- D. Shareholder Information
- E. Disclosures

#### **A. Key Responsibilities:**

Whole Time Director/ Chairman	<ul style="list-style-type: none"><li>• Leads our board.</li><li>• Ensures an effective board, including effective contribution from our directors.</li><li>• Recommends to the board and implements company’s strategy.</li><li>• Has day to day responsibility for running the company’s operations.</li><li>• Promotes the company’s culture and standards.</li></ul>
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Non Executive Director	<ul style="list-style-type: none"> <li>• Constructively challenge our executive directors in all areas</li> <li>• Scrutinize management's performance.</li> <li>• Determine appropriate level of remuneration for executive directors.</li> </ul>
Independent Director	<ul style="list-style-type: none"> <li>• Provides adequate support in decision making to the Chairman.</li> <li>• Ensures that any key issues not addressed by the Chairman or the executive management are taken up.</li> <li>• Is available to shareholders to discuss their concerns.</li> <li>• Leads the annual appraisal of the Chairman's performance.</li> </ul>
Company Secretary	<ul style="list-style-type: none"> <li>• Acts as secretary to our board and its committees.</li> <li>• Together with the Chairman, keeps the efficacy of the company's and our board's governance processes under review.</li> <li>• Has responsibility for compliance with board procedures.</li> <li>• Provides advice on corporate governance issues.</li> </ul>

## B. Board of Directors:

The Company's Board of Directors plays a key role in providing direction in terms of strategy, target setting and performance evaluation of top management. It places special emphasis on compliance as also ensuring that the Company operates in the best interests of all its shareholders.

Company firmly believes that Board independence is essential to bring objectivity and transparency in the management of the Company. The current policy is to have an appropriate mix of executive and independent Directors to maintain the independence of Board, and separate its functions of governance and management.

### a) Attributes of a Board

It is important to consider a variety of personal attributes among the Board incumbents including intellect, judgment, openness, honesty and the ability to develop trust. A Board requires Directors who have the intellectual capability to question status quo and debate any new policy/strategy as also offer suggestions and alternatives.

### b) Size and Composition of the Board

An ideal Board should ensure an appropriate balance of power, independence and authority. As of March 31, 2020, the Board at Company consists of four members; two of Board members are Non-Executive Independent Directors. The Independent Directors, with their diverse knowledge and expertise, provide valuable contribution in the deliberations and decisions of the Board, maintaining the requisite independence.

## Composition of the Board as on March 31, 2020:

Name & Designation of Appointee	DIN	Age in yrs.	Date of Appointment
Shirish Jaltare	00070935	60	03/01/2017
Leela Kalyani	06625369	54	11/06/2016
Suresh Kejriwal	07497747	64	11/06/2016
Prakash Gadia	08203487	28	31/08/2018



Independent Directors: Mr. Suresh Kejriwal and Mr. Prakash Gadia were Independent Directors of the company as on 31<sup>st</sup> March, 2020.

Women Director: The Companies Act 2013, Rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 provide for appointment of Woman Director for prescribed Companies.

In compliance with these provisions, Mrs. Leela Kalyani (DIN: 06625369) has been appointed as Woman Director of the company by the shareholders in Extra Ordinary General Meeting held on Saturday, 11<sup>th</sup> June 2016.

A brief profile of each of the Board members is presented below.

Name & Designation of Appointee	DIN	Age in years	Date of Appointment	Expertise/Experience	Other Directorship held
Shirish Jaltare	00070935	60	03/01/2017	Administration	Four
Leela Kalyani	06625369	54	11/06/2016	Finance & Marketing	Two
Suresh Kejriwal	07497747	64	11/06/2016	Finance & Marketing	Two
Prakash Gadia	08203487	28	31/08/2018	Administration	Zero

Mr. Shirish Jaltare retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Mr. Vivek Chibba (DIN: 06466844) was appointed as an Additional Executive Director and Chief Executive Officer of the Company in the Board Meeting held on 14<sup>th</sup> August, 2020.

### c) Board Membership Criteria

Our Board comprises of eminent professionals of integrity with relevant skills and experience. Their contribution is facilitated by:

- high quality Board documentation;
- expert opinions, wherever deemed necessary; and
- Healthy debate especially on complex, contentious and critical issues.

Nomination and Remuneration Committee (NRC) of the Board assist in fulfilling the responsibilities relating to the size and composition of the Board.

### d) Selection of Independent Directors

Nomination and Remuneration Committee while evaluating the potential candidates, considers a variety of personal attributes, including experience, intellect, foresight, judgment and transparency, and match these with the requirements set out by the Board. Broadly, the following criteria have been set for selection of Independent Directors based on:

- Independence from Management.
- No substantial shareholding.
- Other significant relationship which may cause a conflict of interest.
- Capability of taking fair decisions without being influenced.

- Independent Directors are expected to balance the decision-making process of the Board by constructively challenging the Company's strategy and exercise due diligence
- Independent Directors should possess the requisite business and industry expertise in the domain the Company operates in.
- Independent Directors should be competent enough to work effectively like a team member as well as leader with the other Directors of the Board and committees
- Independent Directors should contribute constructively in the Board's deliberations.

The aim is to secure a Boardroom which achieves the right balance between challenge and teamwork, and fresh input and thinking. The Committee has also framed a Policy for "Selection of Directors". The Board considers the Committee's recommendations, and takes appropriate actions.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law. The Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### **e) Diversity in Board**

Diversity, in all its aspects, serves an important purpose for Board effectiveness. It can widen perspectives while making decisions, avoid similarity of attitude and help companies better understand and connect with its stakeholders. Such diversity may be with regard to academic qualifications, technical expertise, relevant industry knowledge, experience and age. The Company Board represents diversity in terms of all these parameters.

#### **f) Membership Term**

The Companies Act, 2013, mandates the retirement of two-third of the Board members (who are liable to retire by rotation) every year and the retiring members eligible for re-appointment. Independent Directors shall hold office for a term of upto five consecutive years on the Board of a Company and be eligible for re-appointment on passing of a special resolution by the shareholders of the Company.

During the year, the Company re-appointed Smt. Leela Kalyani as a Director of the Company, liable to retire by rotation. All Independent Directors have been appointed for a term of five years and shall be eligible for re-appointment on passing of an ordinary resolution by shareholders of the Company.

#### **g) Mechanism for Evaluating Board members**

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, there is a formal Policy for Board Performance Evaluation which suggests process for evaluation of the performance of both the Board and individual Directors and the Committees. The purpose of the Policy is:

- To ensure the overall performance evaluation process of Directors
- Maximize strengths and identify and address the weaknesses.
- Maintain an energised, proactive and effective Board.

## **h) Compensation of the Board of Directors**

Compensation of the Executive Directors shall be approved by the shareholders.

Non-Executive, Independent Directors are to be paid an amount not exceeding one percent of the net profits of the Company for the year, in accordance with section 197 of the Companies Act, 2013, subject to the approval by the shareholders vide a special resolution.

All Board level compensation shall be approved by the shareholders and disclosed separately in the financial statements.

## **I) Board Meetings**

### **(i) Information supplied to the Board**

The Board has complete access to all information available with the Company. All information stipulated under the provisions of The Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings. There is a structured manner in which the agenda items are prepared and distributed for the Board meetings. During the Board meetings, the senior management is invited to present the plans and achievements relating to their respective areas of responsibility.

### **(ii) Board Agenda**

- The Company Secretary, in consultation with the Chairman of the Company and Chairman of the respective Board Committees, prepares the agenda and supporting papers for discussion at each Board and Committee Meeting. The agenda and notes are circulated to Board/Committee members in advance, and in the defined agenda format. Members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.
- Moreover, the Company also considers the impact of decision on Minority Shareholders for every agenda item at the Board meeting. The Directors discuss such impact analysis, and take appropriate decisions.

### **(iii) Board Materials Distributed in Advance**

Information and data that is important to the Board's understanding of matters on the agenda is distributed to the Board several days prior to the Board meetings in order to allow the members adequate time for a detailed review.

### **(iv) Scheduling of Board Meetings and Attendance during FY 2019-20.**

- A minimum of four Board Meetings are required to be held each year. Moreover, the gap between two Board Meetings should not exceed four months. Eight Board meetings were held by your Company during FY 2019-20.
- The dates on which the Board meetings were held during FY 2019-20, and the attendance record of the members in these meetings is provided in a table.

### **(v) BOARD MEETING DATES & ATTENDANCE:**

A. The Company has conducted 08 (Eight Board Meetings in the financial year 2019-20 i.e.

<b>S. NO.</b>	<b>DATE</b>
1	17/05/2019
2	30/05/2019
3	14/08/2019
4	05/09/2019
5	14/11/2019
6	13/02/2020
7	27/02/2020
8	23/03/2020

**B. Meetings held and attended by directors during their directorship**

<b>S.NO</b>	<b>NAME OF THE DIRECTOR</b>	<b>MEETINGS HELD</b>	<b>MEETINGS ATTENDED</b>
1	Shirish Jaltare	08	08
2	Leela Kalyani	08	08
3	Suresh Kejriwal	08	08
4	Prakash Gadia	08	08

**Separate meeting of Independent Directors:**

During the year under review, a meeting of Independent Directors was held on 30<sup>th</sup> October, 2019, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account views of Executive / Non- Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

**Notes:**

- Committees of the Board meet whenever required.
- The Board meetings are usually held at the Company's corporate office at Princes Business Sky Park, Block No 412, Scheme No 54 PU-3, Commercial, Opposite Orbit Mall, A.B. Road Indore 452010 MP IN
- Video conferencing/other audio visual means as prescribed by the Companies Act 2013 and Rules made thereunder, are used to facilitate Directors travelling abroad, or present at other locations to participate in the meetings.

**(vi) Recording Minutes of Proceedings at Board/Committee Meeting**

- The Company Secretary, who is present in Board/Committee meeting, records the minutes of the proceedings.
- The final minutes are entered in the Minutes Book and signed by the Chairman within 30 days from the conclusion of each meeting.

In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes also contain:

- a. the names of the Directors present at the meeting; and
- b. in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring with the resolution.

Further all other requirements as per the Companies Act, 2013 and Rules made thereunder are duly observed regarding Board/Committee meeting Minutes.

#### (vii) Compliance

The Company Secretary, while preparing the Agenda, Notes on agenda, Minutes etc. is responsible for and is required to ensure adherence to all applicable laws and regulations.

#### (viii) Discussion with Independent Directors

Pursuant to Schedule IV of the Companies Act 2013 and the Rules made thereunder, the Independent Directors of the Company have held a meeting during the year, in absence of the non-independent Directors and members of management. All the independent Directors were present at this meeting and participated in the discussions.

### **C. Committees of the Board of Directors**

Committees are a means of improving Board effectiveness in areas where more focused, specialized and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees consisting of Executive and Non-Executive / Independent Directors, which then report to the Board. While some of these Committees are mandatory, some are voluntary.

The Board's Committees include Audit Committee, Vigil Mechanism Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Finance Committee.

All Committees have formally established terms of reference/charter, subject to revision/amendment as and when required.

The Chairman of each Committee fulfils an important leadership role similar to that of the Chairman of the Board, particularly in creating an environment for effective contribution of each Committee member. While each Committee follows its charter, it also takes up for discussions, matters referred to it by the Board. The Company Secretary, in consultation with the Board Chairman and Committee Chairman, prepares the agenda for each meeting. The minutes of each Committee's meeting are submitted to the Board for information and appropriate action.

### **Company Board Committees**

#### **a) Audit Committee**

A key element in the Corporate Governance process of any organization is its Audit Committee. Effective Audit Committees can greatly assist the Boards in discharge of their duties in respect of integrity of the Company's financial reporting. Indeed, it is essential that Boards, Management, Auditors, Internal Auditors and Audit Committees all work with a common purpose to ensure that the Company obtains the benefits of the Audit Committee in terms of better financial reporting and greater effectiveness of internal controls.

The Audit Committee at Company was formed to efficiently carry out its functions; the Audit Committee has the following roles and responsibilities as per its charter:

Audit committee shall along with such matter as may be referred by Board, be responsible for the following:

With reference to the financial statements

- Examination of the financial statements and the auditors' report thereon,
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:-
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management
  - iv. Significant adjustments made in the financial statements arising out of audit findings
  - v. Compliance with listing and other legal requirements relating to financial statements
  - vi. Disclosure of any related party transactions
  - vii. Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

**With reference to Auditors:**

The recommendation for appointment, remuneration and terms of appointment of all Auditors of the Company including filling of casual vacancy,

- Reviewing and monitoring the Auditor's independence and performance and effectiveness of the Audit process,
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

With reference to related party transactions

- Approval or any subsequent modification of transactions of the company with Related Parties,

The term "related party transactions" shall have the same meaning as provided in Sub Regulation "zc" of Regulation 2 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the provisions of Companies Act, 2013 read with relevant rules thereto.

Other references

- Scrutiny of Inter-Corporate Loans and Investments,
- Valuation of undertakings or assets of the company, wherever it is necessary,
- Evaluation of Internal Financial Controls and Risk Management Systems
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Vigil mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Following information is required to be mandatory reviewed by Audit Committee

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Internal auditor shall be subject to review by the Audit Committee

Additional responsibility of the Chairman of the Audit committee

- Direct access to the Chairperson of the audit committee under the vigil mechanism process.
- The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries.

a) Powers of the Audit committee

- Audit committee has been provided with following powers:
  - To investigate any activity within its terms of reference.
  - To seek information from any employee.
  - To obtain outside legal or other professional advice.
  - To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Composition of the Audit Committee and Meetings Held during FY 2019-20**

Mr. Suresh Kejriwal is Chairman of the Audit Committee. The Audit Committee of the Company is constituted in line with the section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. The Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee met four times during the year. As per the statutory requirement, the maximum gap between two Audit Committee Meetings did not exceed the mandatory four months.

The Composition of the Audit Committee as on March 31, 2020 and details of attendance of the members in the meetings are as follows:

Name of the Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Suresh Kejriwal	Independent Director	04	04
Mr. Prakash Kumar Gadia	Independent Director	04	04
Mr. Shirish Jaltare	Executive Director	04	04

The Chairman of the Audit Committee was present at the previous year Annual General Meeting held on 30<sup>th</sup> September 2019 to answer shareholders' queries.

In addition to the members of the Audit Committee, the Chief Financial Officer, Internal Auditor, Statutory Auditors and other executives attend the meetings of the Committee upon invitation. Necessary information such as Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions submitted by the management, management letters, internal audit reports relating to internal control weaknesses as per the requirement of law, are reviewed by the Committee.

Separate Meetings of the Audit Committee Members with the Auditors

In line with the best Corporate Governance practices, meetings of the Audit Committee, independent of the Management, are scheduled every quarter, prior to the Audit Committee's meeting to review the quarterly results. The main objective of such meetings is to allow the Statutory Auditor and the Internal Auditor to express any areas of concern with respect to any matter at the same time also raise issues of any disagreement with the Management.

## **b) Nomination and Remuneration Committee**

Nomination and Remuneration Committee was formed in accordance with Section 178 (1) of the provisions of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### **(i) Terms of Reference/Charter of the Nomination and Remuneration Committee**

During the year, the Charter of the Committee was further revised in accordance with requirements of The Companies Act, 2013 Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Primary responsibility of the Committee is to identify and nominate suitable candidates for Board membership and as members of senior Management of the Company. The Committee also formulated policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company.

This Committee is responsible for:

- Recommending desirable changes in the Board composition, size and diversity, committees structures and processes, and other aspects of the Board's functioning
- Formulating criteria for determining qualifications, positive attributes and independence of an Independent Director
- Conducting search and recommending new Board members in light of resignation of some current member/s or in case of a planned expansion of the Board
- Identifying persons who are qualified to become Directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board for their appointment



- Recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other senior employees, and while formulating such policy, to ensure that :
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the desired persons
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
- Formulating criteria for evaluation of Independent Directors and the Board and carrying out evaluation of each Director’s performance
- Ensuring that there is an appropriate induction programme in place for new Directors and members of senior management and reviewing its effectiveness
- Developing a succession plan for the Board and regularly reviewing the plan
- Reviewing succession plans for the senior management
- Carrying out any other function as is mandated by the Board from time to time and / or is enforced by any statutory notification, amendment or modification, as may be applicable.

**(ii) Composition of the Nomination and Remuneration Committee and Meetings Held during FY 2019-20**

Mr. Suresh Kejriwal is the present Chairman of the Nomination and Remuneration Committee. As of March 31, 2020, the Committee consisted of following members, all the members are Non executive and majority of which are Independent Directors. The composition of the Committee is in compliance with the applicable laws. The Company Secretary of the Company is the Secretary of the Committee.

The Composition of the Nomination and Remuneration Committee as on March 31, 2020 and details of attendance of the members in the meetings are as follows:

Name of the Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Suresh Kejriwal	Independent Director	NIL	NIL
Mr. Prakash Kumar Gadia	Independent Director	NIL	NIL
Mrs. Leela Kalyani	Non Executive Director	NIL	NIL

Mr. Suresh Kejriwal, Chairman of the Nomination and Remuneration Committee attended the previous year Annual General Meeting held on 30<sup>th</sup> September, 2019.

**(iv) Remuneration Policy**

Remuneration policy for the members of the Board of Directors of the Company takes into consideration their role and responsibilities.

**c) Finance Committee**

The role of the finance committee is primarily to provide financial oversight for the organization. Typical task areas include budgeting and financial planning, financial reporting, and the

creation and monitoring of internal controls and accountability policies. An outline of responsibilities appears below.

- review the Corporation's capital structure and annual capital plan, including its capital adequacy and capital planning process, stress-testing and related activities, capital raising, capital distributions, as well as approve and recommend to the full Board approval of our annual capital plan submission and capital management policy;
- review financial aspects of the Corporation's recovery and resolution plans, and
- review any additional matters that the Board of Directors may direct to the Committee.

As part of its review, the Committee will provide advice and make recommendations to management and the Board, as appropriate, with respect to issues raised in or by the reports and presentations made to the Committee or their form and scope.

The Composition of the Finance Committee as on March 31, 2020 and details of attendance of the members in the meetings are as follows:

Name of the Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Suresh Kejriwal	Independent Director	06	06
Mr. Shirish Jaltare	Whole Time Director	06	06
Mrs. Leela Kalyani	Non Executive Director	06	06
Mr. Sunil Khandelwal	Chief Financial officer	06	06

#### **Familiarization Programme:**

In terms of Regulation 25(7) of Listing Regulations, the Company familiarizes the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., from time to time basis.

The Company familiarizes not only the Independent Directors but any new appointee on the Board with a brief background of the Company their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Regular updates on relevant statutory and regulatory changes are regularly circulated to the Directors.

Brief details of the familiarization programme are uploaded on the website of your Company and can be accessed at the website of the company.

#### **Company Secretary & Compliance Officer**

Mr. Deepak Meena, Company Secretary and Compliance Officer, is responsible for complying with requirements of Securities Laws and Listing Agreements with the Stock Exchanges. The Company has the designated to enable stakeholders to email their grievances.

#### **D. Shareholder Information**

##### **a) Means of Communication**

#### (i) Quarterly/Annual Results

- The Company releases Quarterly Report for each quarter in the form of hard & soft copy to ensure prompt information to the shareholders and also contributes in saving paper thus saving trees and making the planet greener.
- These reports contain audited financials of the Company along with the Auditors Report thereon; Unaudited consolidated financials of the Company.
- The Company communicates quarterly/annual financial results via email to all its shareholders who have valid e-mails ids registered with their Depository Participants (DP).
- The Company publishes official news releases for the same.

#### (ii) Newspapers publication of financial results

The Company's financial results are published in English daily and Hindi daily edition newspaper having wide regional circulation.

#### (iii) Annual Report

The Company's Annual Report containing, inter alia, Letter from the Chairman, Audited Annual Accounts, Directors' Report, Auditors' Report, Report on Corporate Governance and Financial Highlights, Management Discussion and Analysis and other important information is circulated to all the members.

#### (iv) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, Corporate Governance report, media releases, among others are also filed electronically by the Company on the Listing Centre.

#### (x) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### **b) Corporate Identity Number (CIN)**

Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India is L11531MP1984PLC002635 and the Company Registration Number is 002635. The Company is registered in the State of Madhya Pradesh.

### **c) Shareholder Education**

Shareholders of the Company are provided with timely information on all Company related matters including recruitment/appointment of Directors and other important events through Press Releases.

### **d) General Body Meetings**

(i) Particulars of previous Annual General Meetings (AGM) held during the previous three years are as follows:

<b>YEAR TO WHICH AGM RELATES</b>	<b>DATE OF AGM</b>	<b>TIME OF AGM</b>	<b>VENUE OF AGM</b>	<b>NO. OF SPECIAL BUSINESS</b>
2018-19	30/09/2019	11.00 A.M.	Registered Office	Zero
2017-18	25/09/2018	11.00 A.M.	Registered Office	Three
2016-17	25/09/2017	11.00 A.M.	Registered Office	Two

No Extraordinary general meeting was held by the Company during the financial year ended March 31, 2020.

## **E. Disclosures**

### **I. Disclosure on materially significant related party transactions:**

The Company has not entered into material transaction with one of its related parties. The disclosure of transactions with related parties is set out in Notes forming part of the Annual Report.

### **II. Compliances by the Company of Capital Market Guidelines**

The Company has complied with all requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to the capital market during the past, including the preceding three years.

### **III. Whistle Blower Policy**

Company is committed to conduct its business in accordance with the applicable laws, rules and regulations, and with highest standards of business ethics. Company does not tolerate any malpractice, impropriety, abuse or wrongdoing. The Company has a well established whistle blower policy as part of a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

In accordance with the Companies Act 2013 and Rules made there under and the applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board adopted a revised Whistle Blower Policy.

No complaint was received under the Policy, during the year. We affirm that :

- Provision is made for adequate safeguards to employees against their victimisation on reporting to the Ombudsperson and
- no personnel was denied access to the Audit Committee

### **IV. Policy against Sexual Harassment**

Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. Company prohibits any employee of the Company from making any unwelcome and unsolicited sexually determined behaviour (whether directly or by implication). Such kind of harassment can have potential legal and moral pitfalls not only for the individuals involved but also for the Organization as a whole. We at Company believe that it is the responsibility of the organization to protect the integrity & dignity of its employees and also to avoid conflicts & disruptions in the work environment due to such cases.

The Company has put in place a 'Policy against Sexual Harassment', complaint with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/her complaint to the Committee by various modes i.e. in person, through email, in writing or by calling on mobile no. as mentioned. The Committee would then make enquiries and submit its recommendation to the HR Head. He would further take a decision on the same and report to the Board. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year.

## V. Code of Conduct

The Company has in place a Code of Conduct which helps to maintain high standards of ethics for the Company's employees. In terms of Code of Conduct, the Directors and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders. The Company obtains the affirmation compliance of the Code of Conduct from its Directors and Senior Management on an annual basis.

The Company has obtained declaration from its Directors and Senior Management affirming their compliance to the Code of Conduct for the current year.

A copy of the Code of Conduct is made available on the website of the Company.

## VI. Risk Management and Internal Control Policies adopted by the Company

A report on Risk Management and Internal Control Policies adopted by the Company has been discussed later as a separate chapter in this Annual Report.

## VII. Adherence to Accounting Standards

The Company follows the mandatory Accounting Standards prescribed by The Institute of Chartered Accountants of India and to the best of its knowledge; there are no deviations in the accounting treatment that require specific disclosure.

## VIII. Management Discussion and Analysis

As required by Regulation 34 of the SEBI (listing Obligation and Disclosure Requirements) Regulation 2015, the Management Discussion and Analysis is provided in this Annual Report. As a voluntary initiative, the Company also prepares and publishes Management Discussion and Analysis for the consolidated financials in the Annual Report, which is also provided later in this Annual Report.

## IX. Share Transfer System

The Company's shares are currently traded in dematerialised form; transfers are processed and approved in the electronic form by NSDL/CDSL through their Depository Participants.

The Stakeholders Relationship Committee is authorised to approve transfer of shares, which are received in physical form, and the said Committee approves transfer of shares as and when required.

The Company obtains from the compliance officer and authorised representative of the share transfer agent of the company, a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 7 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

## X. Dematerialization of Shares

The Equity shares of the Company are under compulsory dematerialization ("Demat") category and can be traded only in electronic form. The procedure for converting the shares in dematerialized mode is as under:

- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to his Depository Participant (DP)
- DP processes the DRF and generates a unique number viz. DRN.
- DP forwards the DRF and share certificates to the Company's Registrar & Shares Transfer Agent.
- The Company's Registrar & Shares Transfer Agent after processing the DRF confirm or reject the request to the Depositories.

- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.
- The process of dematerialization takes around 15 days from the date of receipt of DRF by the Registrar & Shares Transfer Agent of the Company.
- Since the trading in the shares of the Company can be done only in electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialized.

#### XI.Shareholding Pattern of the Company as at March 31, 2020:

The complete shareholding pattern as on 31<sup>st</sup> March, 2020 is attached as annexure to the report of Board of directors.

#### XII.Depository Receipts / Global Depository Receipts / Warrants

As on March 31, 2020, the Company has no American Depository Receipts / Global Depository Receipts / Warrants or any such convertible instruments outstanding and there is no likely impact on the Company's Equity Shares in the financial year 2019-20.

#### XIII.Employee Stock Option Plans (ESOP)

As on 31<sup>st</sup> March, 2020, the company has not made any ESOP issue and therefore not covered under the provisions of the Act.

#### XIV.CEO/CFO Certification

As required under Regulation 33 of SEBI,(Listing Obligations & Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is provided as Annexure to the report on Corporate Governance, in this Annual Report.

#### XV.Secretarial Audit

As per the Companies Act 2013, Secretarial Audit by a practicing Company Secretary has become mandatory for prescribed companies, and they are required to annex the Secretarial Audit report with their Board Report in the Annual Report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed, CS Varun Bhomia, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report in the prescribed Form MR 3, is provided as Annexure F to the Directors' Report. The Secretarial Audit Report does not contain any qualification or adverse remark.

The Secretarial Auditor has made certain recommendations for adopting additional Best Practices, which are now being implemented.

#### XVI.Compliance with the Code of Conduct

All Directors and Senior Management personnel of the Company have affirmed compliance with the code for the financial year ended March 31, 2020. A declaration to this effect signed by the directors has been published as Annexure to this report on Corporate Governance.

#### XVII.Listing Fees:

Listing fees, to the Stock Exchanges, for the financial year 2019-20 have been paid.

#### XVIII.Green Initiatives by the Ministry of Corporate Affairs, Government of India

The Company whole-heartedly supported the 'Green Initiative' of the Ministry of Corporate Affairs, Government of India enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository participants/Registrar & Share Transfer Agent. This year

also the Company is actively pursuing this initiative by sending Annual Reports in a soft copy form to those members who had provided their email id to the company.

**XIX. Compliance Certificate of the Auditor:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations.

**XX. Audit Qualification:**

There are no audit qualifications in the Company's financial statements for the year under review.

**XXI. Compliance Report:**

The Board periodically reviews the compliance of all applicable laws and gives appropriate directions, wherever necessary.

**XXII. Reporting of Internal Auditor:**

The Internal Auditor reports to the Audit Committee and the Board. On requisition, he participates in the meetings of the Audit Committee of the Board of Directors of your Company and presents his internal audit observations to the Audit Committee.

**XXIII. Registrar and Transfer Agents:**

M/s Ankit Consultancy Private Limited  
60, Electronics Complex, Pardeshipura,  
Indore - 452 010

**XXIV. Registered Office & Plant Location:**

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

**XXV. 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*

**XXVI. Address for correspondence:**

Princes Business Sky Park, Block No 412,  
Scheme No 54 PU-3, Commercial, Opposite Orbit Mall,  
A.B. Road Indore 452010 MP IN

**FOR SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Place: Indore (M.P.)  
Date : 05<sup>th</sup> September, 2019  
SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Sd/-  
Leela Kalyani  
Director  
DIN: 06625369**

**Sd/-  
Shirish Jaltare  
Director  
DIN: 00070935**

# ANNEXURE C

## Corporate Governance Complaint Certificate

**Corporate Identity No: L11531MP1984PLC002635**

**Nominal Capital: 4.25 Crores**

**To  
The Members  
SILVER OAK (INDIA) LIMITED**

We have examined all the relevant records of Silver Oak (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance, as stipulated in Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from April 01, 2019 to March 31, 2020. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedure & implementation process adopted by Company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the company, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This certificate is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 05.09.2020

Place: Indore

**Sd/-**  
FCS Varun Bhomia  
Practicing Company Secretary  
COP-10561



**Annexure D**  
**CEO/CFO CERTIFICATE**

We, Shirish Jaltare, Whole-time Director & Sunil Khandelwal, Chief Financial Officer of the company, to the best of our knowledge and belief, certify that:

- A.** We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These 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 our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of 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 we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**FOR SILVER OAK (INDIA) LTD.**  
**CIN: L11531MP1984PLC002635**

**Place: Indore (M.P.)**  
**Date : 05<sup>th</sup> September, 2020**

**Sd/-**  
**Shirish Jaltare**  
**Whole-time Director**  
DIN: 00070935

**Sd/-**  
**Sunil Khandelwal**  
**CFO**

## **Annexure E**

### **DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

I, Shirish Jaltare, Whole-time Director of Silver Oak (India) Ltd, confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and senior management personnel, in terms of the requirement of Regulation 26(3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and code of conduct of the company has been displayed at the company's website: <http://silveroakindia.co.in>

I, further confirm that all the members of the Board and the senior management personnel have affirmed compliance with the code for the year ending March 31, 2020.

**FOR SILVER OAK (INDIA) LTD**  
**CIN: L11531MP1984PLC002635**

**Place: Indore (M.P.)**  
**Date : 05<sup>th</sup> September, 2020**  
**SILVER OAK (INDIA) LTD.**  
**CIN: L11531MP1984PLC002635**

**Sd/-**  
**Shirish Jaltare**  
**Director**  
**DIN: 00070935**



# BHOMIA SOLANKI & ASSOCIATES LLP

LLPIN:-AAJ 7330

301-B,Shreewardhan Complex,RNT Marg,Near Lemon Tree Hotel,Indore -M.P.

## Secretarial Audit Report

(For the financial year ended 31.03.2019)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
SILVER OAK (INDIA) Limited  
CIN: L11531MP1984PLC002635

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SILVER OAK (INDIA) Limited (hereinafter called the Company) for the financial year ended 31.03.2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also on the basis of the information provided by the Company, its management, its officers, auditors, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period ended on 31.03.2020 , has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the period ended on 31.03.2020, in accordance to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
  - a. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013;
  - g. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - h. The Memorandum and Articles of Association of the company.

We have also examined compliance with the applicable clauses of the following:

1. The compliance of Secretarial Standards issued by The Institute of Company Secretaries of India.
2. SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of The Act, Rules, Regulations, Guidelines, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** proper details regarding outcome of few Board meeting of the company has not been properly intimated to the exchange.

**We further report that** during the Audit period, there were no instances of:

- i. Public/Rights/Preferential Issue of shares/Debentures/Sweat Equity.
- ii. Redemption/Buy-back of securities.
- iii. Merger/Amalgamation/Reconstruction etc.
- iv. Foreign Technical Collaborations.

**We further report that** We have not reviewed the applicable financial laws (Direct & Indirect tax laws), the compliance of the accounting standards and the annual financial statements, since the same have been subject to review and audit by the Statutory auditors of the company.

**Place: Indore**

**Date: 30.08.2020**

**CS VARUN BHOMIA**  
**C.P. No. 10561**  
**Designated Partner**

**Note:** This report is to be read with our letter of even date which is annexed as annexure "A" and forms an integral part of this report.

**ANNEXURE TO  
Secretarial Audit Report**

To,  
The Members  
SILVER OAK (INDIA) Limited  
CIN: L11531MP1984PLC002635

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on this secretarial record based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, We have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Indore  
Date: 30.08.2020**

**CS VARUN BHOMIA  
C.P. No. 10561  
Designated Partner**

## ANNEXURE G

### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

FOR SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635

Place : Indore (M.P.)  
Date : 05<sup>th</sup> September, 2020  
SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635

Sd/-  
Leela Kalyani  
Director  
DIN: 06625369

Sd/-  
Shirish Jaltare  
Director  
DIN: 00070935

## ANNEXURE H

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
SILVER OAK (INDIA) LIMITED  
As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the  
Company (Management & Administration) Rules, 2014**

### **I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L11531MP1984PLC002635
2.	Registration Date	15/11/1984
3.	Name of the Company	SILVER OAK (INDIA) LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares (Indian Non Govt. Co.)
5.	Address of the Registered office & contact details	Plot no. 110, Sector-I, Industrial Area, Pithampur, Dhar, (M.P.)-454775
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer	M/s Ankit Consultancy Private Limited 60, Electronics Complex, Pardeshipura, Indore - 452010

### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of country liquor	15511	100

### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

#### **IV.**

[ No. of Companies for which information is being filled = 1 ]					
Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/Subsidiary/ Associate	% Of Shares Held	Applicable Section
01	APT Infrastructure Private Limited Unit No. 814, 8 <sup>th</sup> Floor, DLF Tower B, Jasola, Delhi South Delhi DL 110025 IN	U45400DL2007PTC170319	Subsidiary	60%	2(87)





<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	670168	3800	673968	17.78	670168	3800	673968	17.78	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals/HUF									
i) Individual/HUF shareholders holding nominal <b>share capital upto Rs. 2 lakh</b>	97679	141310	238989	6.31	102674	136310	238984	6.31	-
ii) Individual/HUF shareholders holding nominal share capital in excess of Rs 2 lakh	387745	36750	424495	11.20	387745	36750	424495	11.20	-
c) Others (clearing member)	-	-	-	-	5	-	5	-	-
<b>Sub-total (B)(2):-</b>	<b>1155592</b>	<b>181860</b>	<b>1337452</b>	<b>100</b>	<b>1160592</b>	<b>176860</b>	<b>1337452</b>	<b>100</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1155592</b>	<b>181860</b>	<b>1337452</b>	<b>100</b>	<b>1160592</b>	<b>176860</b>	<b>1337452</b>	<b>100</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3608340</b>	<b>181860</b>	<b>3790200</b>	<b>100</b>	<b>3613340</b>	<b>176860</b>	<b>3790200</b>	<b>100</b>	<b>0</b>

**B) Shareholding of Promoter-**

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% chang e in shareh olding during the year
		No. of Shares	% of total Shares of the compa ny	%of Shares Pledged / encumber ed to total shares	No. of Shares	% of total Shares of the compan y	%of Shares Pledged / encumber ed to total shares	
1	Leela Kalyani	185000	4.88	-	185000	4.88	-	-
2	Royal Highland Distilleries Ltd.	2267748	59.83	-	2267748	59.83	-	-
<b>Total</b>		<b>2452748</b>	<b>64.71</b>	-	<b>2452748</b>	<b>64.71</b>	-	-

**C) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>ANNEXED AS ANNEXURE (1)</b>			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

**D) Shareholding of Directors and Key Managerial Personnel: NIL****V) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Whole-time Directors and CFO:**

SN.	Particulars of Remuneration	Name of WTD/CFO		Total Amount
		Mr. Shirish Jaltare (WTD)	Mr. Sunil Khandelwal (CFO)	
1	Gross salary	-	Rs. 7,02,720.00	Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify(Interest on loan)	-	-	-
	Total (A)	-	Rs. 7,02,720.00	Rs.
	Ceiling as per the Act	N.A.	N.A.	N

**B. Remuneration to other directors:**

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	<b>NIL</b>	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify(Remuneration)		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

SN	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL
		COMPANY SECRETARY
1	Gross salary	Rs. 5,54,184.000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	/
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	others, specify...	
5	Others, please specify	
	Total	Rs. 5,54,184.000

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For Silver Oak (India) Limited

Place: Indore (M.P.)

Date : 02<sup>nd</sup> September, 2020

SILVER OAK (INDIA) LTD.

CIN: L11531MP1984PLC002635

Leela Kalyani

Director

DIN: 06625369

Suresh Kejriwal

Director

DIN: 07497747

ANNEXURE (1)

S N.	Name of Shareholder	No. of Shares held at the beginning of the		No. of Shares held at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	KAVERI DEALER PRIVATE LIMITED	448590	11.84	448590	11.84
2	GURVEEN KAUR BHATIA	219502	5.79	219502	5.79
3	HARMINDER SINGH BHATIA	130470	3.44	130470	3.44
4	ATS SHARE BROKERS PRIVATE LIMITED	119500	3.15	119500	3.15
5	GROWFAST AGENCY PRIVATE LIMITED	100000	2.64	100000	2.64
6	PRAKASH C. SODHANI	37773	1.00	37773	1.00
7	MEHARNOSH ELAVIA	36750	0.97	36750	0.97
8	MEHIDPURWALA INVESTMENT PVT LTD	2000	0.05	2000	0.05
9	ARIHANT CAPITAL MKT. LTD	1403	0.04	1403	0.04
10	GLFL SECURITIES LTD	1000	0.03	1000	0.03

**FOR SILVER OAK (INDIA) LTD**

**Place: Indore (M.P.)**

**Date: 05<sup>th</sup> September, 2020**

**SILVER OAK (INDIA) LTD.**

**CIN: L11531MP1984PLC002635**

**Leela Kalyani**

**Director**

**DIN: 06625369**

**Suresh Kejriwal**

**Director**

**DIN: 07497747**

# ANNEXURE I

## PARTICULARS OF EMPLOYEES

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S.No.	Director Name	DIN	Designation	Remuneration for the year 2019-20
1	SUNIL KHANDELWAL	N.A.	CHIEF FINANCIAL OFFICER	Rs. 7,02,720.00
3	DEEPAK MEENA	N.A.	COMPANY SECRETARY	Rs. 5,54,184.00

**I. The percentage increase in remuneration of each Directors, KMPs i.e. Chief Financial Officer, Chief Executive Officer, Company Secretary of Manager in the financial year:**

S. No.	Name of Director & KMP	% Increase in remuneration
01.	Mr. SUNIL KHANDELWAL, Chief Financial Officer	3%
02.	Mr. DEEPAK MEENA, Company Secretary	17.70%

**II. The explanation on the relationship between average increase in remuneration and Company performance:**

Remuneration of KMP's is fixed on the basis of Company's HR policy and annual increments are based on Company's performance as well as individual's performance. Remuneration is adjusted for industry trend and cost of living in the areas where KMP's are stationed.

**III. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Remuneration of KMPs is fixed according to HR policy of the Company and annual increments are based on Company's performance as well as individual's performances. This may or may not be in the proportion of performance of the Company.

**IV. Comparison of the Remuneration of the Key Managerial Personnel(s) against the performance of the Company:**

	(Rs. in lacs)
Aggregate remuneration of Key Managerial Personnel (KMP)	12.56
Revenue of the Company	2.13
Remuneration of KMPs (as % of revenue)	589.6

**V. The key parameters for any variable component of remuneration availed by the directors:**

The Company does not pay any remuneration to its Directors apart from sitting fees for attending the meetings of the Board of Directors.

**VI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not applicable.

**The Company affirms that:**

1. The appointment of all employees is subject to the rules & regulations of the Company in force from time to time and is not contractual except that of the Chairman and Executive Directors.
2. Remuneration includes salary, Company's contribution to provident & superannuation funds, medical expenses, house rent allowance, leave travel assistance, Employee Separation Scheme, Performance Pay, taxable value of perquisites and other allowances as per Company's rules.
3. None of the employees is related to any director of the Company
4. No Remuneration has been paid to the Whole-Time Directors of the Company during the financial year ended 31<sup>st</sup> March, 2019.
5. Remuneration paid to the Chief Financial Officer & Company Secretary of the Company was within the limits prescribed under the Companies Act, 2013.
6. There was no employee who by himself or along with his spouse and dependent children, was holding not less than two percent of the equity shares of the Company.
7. There was no employee except Mr. Sunil Khandelwal, Chief financial officer and Deepak Meena, Company Secretary of the Company, who was in receipt of remuneration during the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by any of the Whole-Time Directors.

**FOR SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Place : Indore (M.P.)  
Date : 05<sup>TH</sup> September 2020  
SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Sd/-  
Leela Kalyani  
Director  
DIN: 06625369**

**Sd/-  
Shirish Jaltare  
Director  
DIN: 00070935**

## ANNEXURE- J

### NOMINATION, REMUNERATION AND EVALUATION POLICY

This Nomination, Remuneration and Evaluation Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Silver Oak (India) Limited (the “Company”). “Key Managerial Personnel (KMP) means—

- (i) Chairman & Managing Director;
- (ii) Company Secretary,
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) Such other Officer as may be prescribed.

The term “Senior Management Personnel” means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- (i) **Purpose:** The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.
- (ii) **Accountabilities**
  - 2.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
  - 2.2 The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.
- (iii) **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee is responsible for:

  - 3.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, with the objective to diversify the Board;
  - 3.2 identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
  - 3.3 recommending to the Board on the selection of individuals nominated for directorship;
  - 3.4 making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
  - 3.5 assessing the independence of independent directors;
  - 3.6 such other key issues/matters as may be referred by the Board or as may be necessary in view of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and provision of the Companies Act 2013 and Rules there under.
  - 3.7 to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination



of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

3.8 ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

3.9 to devise a policy on Board diversity;

3.10 to develop a succession plan for the Board and to regularly review the plan;

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) The quorum for a meeting of the committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **(iv) Appointment of Directors/KMPs/Senior Officials**

4.1 Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities

required to operate successfully in the position, with due regard for the benefits from diversifying the Board;

- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

#### 4.2 Personal specifications:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

(v) **Letters of Appointment:** Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

(vi) **Remuneration of Directors, Key Managerial Personnel and Senior Management:**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based "& determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

i. **Remuneration:**

a. Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b. Variable salary:

The RNC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount

payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

ii. **Statutory Requirements:**

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its any one Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

6.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

6.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

6.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

(vii) **Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company -**

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of The Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & stewardship abilities
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections

- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

**FOR SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Place: Indore (M.P.)  
Date : 05<sup>th</sup> September, 2020  
SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Sd/-  
Leela Kalyani  
Director  
DIN: 06625369**

**Sd/-  
Shirish Jaltare  
Director  
DIN: 00070935**

**ANNEXURE K**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint Ventures**

**Part-A - Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No. : 01
2. Name of the Subsidiary: **APT Infrastructure Private Limited.**
3. The date on which subsidiary was acquired: **30<sup>th</sup> March, 2017.**
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **Same as of the holding company's reporting period**
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: **N.A.**
6. Share Capital: Rs. 1,00,00,000.00
7. Reserves and Surplus: Rs. 20,85,47,316.00
8. Total Assets: Rs. 30,29,16,259.00
9. Total Liabilities: Rs. 30,29,16,259.00
10. Investments: NIL
11. Turnover: Rs. 1,09,70,320.00
12. Profit before Taxation: Rs. 21,64,257.00
13. Provision for Taxation: Rs. 2,97,628.00
14. Profit after Taxation: Rs. 24,61,886.00
15. Proposed Dividend: NIL
16. Extent of shareholding (in percentage): 60%.

Names of subsidiaries which are yet to commence operations **N.A.**

Names of subsidiaries which have been liquidated or sold during the year **N.A.**

**FOR SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Place: Indore (M.P.)  
Date : 05<sup>th</sup> September, 2020  
SILVER OAK (INDIA) LTD.  
CIN: L11531MP1984PLC002635**

**Sd/-  
Leela Kalyani  
Director  
DIN: 06625369**

**Sd/-  
Shirish Jaltare  
Director  
DIN: 00070935**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SILVER OAK (INDIA) LIMITED**

#### **REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS**

##### **OPINION**

We have audited the accompanying standalone financial statements of **SILVER OAK (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **BASIS FOR OPINION**

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

##### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENT**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of

the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **EMPHASIS OF MATTER**

We draw attention to the notes to the additional notes on accounts no. 22(B)(8) to the standalone financial statements regarding the inventories amounting to `7886121(Previous Year - `26654455) which have been shown at cost. As per Ind AS 2 - "Valuation of Inventories", inventories should be valued at cost or net realizable value whichever is lower. Such valuation requires technical judgments and consideration of market related factors. Therefore, we are unable to comment upon the fair value of such inventory, any provision for diminution in value of stock and quantification of its impact on financial position and results of the company. Our report is not qualified in the matter.

We also draw attention to the explanatory notes on accounts no. 22(B)(10) to the standalone financial statements regarding no provision against loans and advances amounting to `30.00 lacs(Previous Year - `75.10 lacs). Our report is not qualified in the matter.

We also draw attention to the accounts of the company that have been prepared on a going concern basis despite of the accumulated losses. The applicability of the going concern assumption is considered to be appropriate on the basis of the business activities of the company together with the factors likely to affect its future development and its performance along with its financial position and its cash flows. This has been reviewed by the board of directors of the company and the board has reasonable expectation that they have adequate resources to continue an operational existence for the foreseeable future and maintain Going Concern status of the Company. Our report is not qualified in the matter.

#### **INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of the other information.



The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2020, taken on record by the Board of Directors, none of the director is disqualified as on March 31<sup>st</sup>, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations as at March 31<sup>st</sup>, 2020 on its financial position vide Additional Notes on Accounts no. 22(B)(2)(I) in

its standalone financial statements.

- b. Subject to the additional notes on accounts, the Company has made adequate provision as at March 31st 2020, as required under the applicable law or Indian accounting standards, for material foreseeable losses acknowledged by the company, if any, on long-term contracts including derivative contracts
  
- c. There is no amount required to be transfer to investor education and protection fund by the company.

Statutory Auditors

**FOR: MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**PLACE: INDORE**  
**DATE:25.07.2020**

**CA M.K BADJATYA**  
**PARTNER**  
**ICAI MNO 070578**

## **Annexure – “A” to the Independent Auditor’s Report**

The Annexure required under CARO, 2016 referred to in our Report to the members of the **SILVER OAK (INDIA) LIMITED** (“the Company”) for the year ended March 31<sup>st</sup>, 2020, and according to the information and explanations given to us, we report as under:

- (i) (a) The company has maintained adequate records showing general particulars, including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management during the year in accordance with a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification which were not material have been properly dealt with in the books of account.
- (c) On the basis of our examination of records of the Company, we report that, The Title Deeds, comprising all the immovable properties of land & buildings, which are free hold, are held in the name of company as at the balance sheet date. In respect of lease hold immovable properties of land and building that have been taken on and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the company.
- (ii) In our opinion, on the basis of our examination of the records of the company, the inventories have been physically verified by the management at the reasonable intervals and the material discrepancies noticed, if any, has properly been dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid order are not applicable.
- (iv) During the year the company has not granted any loans, guarantees or securities to any party covered under section 185 of the Companies Act, 2013 therefore the reporting requirement of this clause is not applicable to the company. During the year the company has not made any investment therefore the provisions of section 186 of the Companies Act, 2013 are not applicable to the company.
- (v) The company has neither invited nor accepted any deposits from the public during the year therefore the reporting requirement of the clause is not applicable to the company.
- (vi) The Company is mainly carrying on the business of Manufacturing of Liquor and according to the size of operations, the requirements of maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, are not applicable to the Company.
- (vii)(a) According to the records of the Company, it is generally regular in depositing undisputed statutory dues including Provident Fund, Employees state insurance, Income Tax, Goods & Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, and any other statutory dues, whichever is applicable to the company with the appropriate authorities during the year and no undisputed amounts were outstanding as at March 31<sup>st</sup>, 2020 for a period of more than six months, from the date they become payable.

- (b) There are no dues of Provident Fund, Employees state insurance, Income Tax, Goods & Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, and any other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of dues to banks and financial institution. There are no debenture holders and loan from government.
- (ix) During the year under report the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and also not obtained any term loan.
- (x) Based upon the audit procedures performed, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- (xi) The company has not paid any remuneration to any of its directors; therefore the reporting requirement under this clause is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the standalone financial statements as required by the applicable standards.
- (xiv) Based on our examination of the record of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion, the company has not entered into any non cash transaction with directors or persons connected with him; therefore the reporting requirement of the clause is not applicable to the company.
- (xvi) In our opinion and as per the transactions of the company, the company is not required to be registered u/s 45IA of the Reserve Bank of India Act,1934 therefore the reporting requirement of the clause is not applicable to the company.

Statutory Auditors  
**FOR: MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**CA M.K BADJATYA**  
**PARTNER**  
**ICAI MNO 070578**

**PLACE: INDORE**  
**DATE: 25.07.2020**

## **Annexure - “B” to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **SILVER OAK (INDIA) LIMITED** (“the Company”) as on March 31<sup>st</sup>, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITORS’ RESPONSIBILITY**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

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

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, a reasonable internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Finance Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Statutory Auditors  
**FOR: MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**CAM.K BADJATYA**  
**PARTNER**  
**ICAI MNO 070578**

**PLACE: INDORE**  
**DATE: 25.07.2020**

**SILVER OAK (INDIA) LIMITED**  
**STANDALONE BALANCE SHEET AS AT 31st MARCH 2020**

(Amount in `)

PARTICULARS	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	1	8491895	9158208
Financial Assets:			
Investments	2	21047083	21047083
Deffered tax Assets(Net)		7200934	7200934
Other Non-Current Assets	3	3064229	7614057
<b>Total Non-Current Assets</b>	<b>(A)</b>	<b>39804141</b>	<b>45020282</b>
<b>Current Assets</b>			
Inventories	4	7886121	26654455
Financial Assets:			
Trade Receivables	5	341951	357776
Cash and Cash Equivalents	6	2067217	1733963
Other Current Assets	7	1087364	1350226
<b>Total Current Assets</b>	<b>(B)</b>	<b>11382653</b>	<b>30096420</b>
<b>TOTAL ASSETS</b>	<b>(A+B)</b>	<b>51186794</b>	<b>75116702</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	8	37902000	37902000
Other Equity	9	(66479156)	(31491118)
<b>Total Equity</b>	<b>(A)</b>	<b>-28577156</b>	<b>6410882</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	10	71509393	50423686
Trade Payables	11	6906423	14548489
Other Current Liabilities	12	980332	3339088
Provisions	13	367802	394557
<b>Total Current Liabilities</b>	<b>(B)</b>	<b>79763950</b>	<b>68705820</b>
<b>TOTAL LIABILITIES</b>	<b>(A+B)</b>	<b>51186794</b>	<b>75116702</b>
See accompanying notes to the financial statements	22		

**Shirish Jaltare**  
**Whole Time Director**  
(DIN: 00070935)

**Leela Kalyani**  
**Director**  
(DIN: 06625369)

**Sunil Khandelwal**  
**Cheif Financial Officer**

**Deepak Meena**  
**Company Secretary**  
(FCS: A41823)

**PLACE: INDORE**  
**DATE:25.07.2020**

As Per our report of even date attached  
**STATUTORY AUDITORS**  
**For MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
ICAI FRN 001457C

**CA M.K BADJATYA**  
**PARTNER**  
ICAI MNO 070578

**SILVER OAK (INDIA) LIMITED**

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31st,2020**

(Amount in `)

PARTICULARS	Note	For the Year Ended March 31,2020	For the Year Ended March 31,2019
<b>Income</b>			
Revenue from Operations	14	213888	4455477
Other Income	15	74424	164579
<b>Total Income</b>		<b>288312</b>	<b>4620056</b>
<b>Expenses</b>			
Cost of Material Consumed	16	0	1041724
Changes in Inventories of Stock in Trade	17	143325	8511575
Employee Benefit Expenses	18	2788623	2927217
Finance Costs	19	5643868	4266044
Depreciation	1	666312	882541
Other Expenses	20	4790359	6499311
<b>Total Expenses</b>		<b>14032487</b>	<b>24128412</b>
<b>Loss Before Tax</b>		<b>(13744175)</b>	<b>(19508356)</b>
<b>Exceptional Item</b>	21	(21243863)	0
Tax Expenses :			
(i) Current Tax		0	0
(ii) Deferred Tax Asset/Liability		0	0
<b>Loss for the Period for Continued Operations</b>		<b>(34988038)</b>	<b>(19508356)</b>
Other comprehensive Income		0	0
<b>Total Comprehensive Income for the period</b>		<b>(34988038)</b>	<b>(19508356)</b>
<b>Earnings per equity share :</b>			
(i) Basic (`)		(9.23)	(5.15)
(ii) Diluted (`)		(9.23)	(5.15)
See accompanying notes to the financial statements	22		

**Shirish Jaltare**  
Whole Time Director  
(DIN: 00070935)

**Leela Kalyani**  
Director  
(DIN: 06625369)

**Sunil Khandelwal**  
Chief Financial Officer

**Deepak Meena**  
Company Secretary  
(FCS: A41823)

PLACE: INDORE  
DATE:25.07.2020

As Per our report of even date attached  
**STATUTORY AUDITORS**  
For **MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
ICAI FRN 001457C

**CA M.K BADJATYA**  
**PARTNER**  
ICAI MNO 070578



**SILVER OAK (INDIA) LIMITED**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 2019-20**

(Amount in `)

**A. EQUITY SHARE CAPITAL**

Balance as at March 31,2019	Changes in equity share capital during the year	Balance as at March 31,2020
37902000	0	37902000

**B. OTHER EQUITY**

Particulars	Reserve and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31,2019	6784000	6717500	1054945	(46047563)	(31491118)
Changes in accounting policy/prior period errors	0	0	0	0	0
Restated balances at the beginning of the reporting period	6784000	6717500	1054945	-46047563	(31491118)
Profit/(Loss) for the Year	0	0	0	(34988038)	(34988038)
Other Comprehensive Income for the Year	0	0	0	0	0
Total Comprehensive Income/(Loss) for the Year	6784000	6717500	1054945	-81035601	(66479156)
<b>Transactions with owners in capacity as owners</b>					
Dividends	0	0	0	0	0
Bonus Shares	0	0	0	0	0
Movement during the year	0	0	0	0	0
Balance as at March 31,2020	6784000	6717500	1054945	-81035601	(66479156)

**Shirish Jaltare**  
**Whole Time Director**  
(DIN: 00070935)

**Leela Kalyani**  
**Director**  
(DIN: 06625369)

**Sunil Khandelwal**  
**Cheif Financial Officer**

**Deepak Meena**  
**Company Secretary**  
(FCS: A41823)

**PLACE: INDORE**  
**DATE:25.07.2020**

As Per our report of even date attached  
**STATUTORY AUDITORS**  
**For MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**CA M.K BADJATYA**  
**PARTNER**  
**ICAI MNO 070578**

<b>SILVER OAK (INDIA) LIMITED</b>		
<b>STATEMENT OF CASH FLOWS FOR THE YEAR 2019-20</b>		
<b>(Amount in `)</b>		
<b>PARTICULARS</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax as per Profit and Loss Account</b>	<b>(34988038)</b>	<b>(19508356)</b>
activities:		
Depreciation	666312	882541
Interest Income and Dividend Income	(68526)	(57190)
Finance Cost	5643868	4266044
Profit on Sale of Fixed Assets	0	(14046)
Changes in assets and liabilities		
Inventories	18768334	9070248
Trade receivables and unbilled revenues	15825	721576
Loans and other financial assets and other assets	4812690	4694730
Trade payables	(7642066)	(588659)
Other financial liabilities and other liabilities and provisions	(2385511)	(1110266)
<b>Cash Generated from operations</b>	<b>(15177112)</b>	<b>(1643378)</b>
Income tax Paid	0	0
<b>Net Cash Generated by Operating Activities</b>	<b>(A) (15177112)</b>	<b>(1643378)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure/Sale of property, plant and equipments	0	700000
Interest and dividend received	68526	57190
<b>Net Cash Used in Investing Activities</b>	<b>(B) 68526</b>	<b>757190</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	21085707	5617473
Payment of interest	(5643868)	(4266044)
<b>Net Cash Used in Financing Activities</b>	<b>(C) 15441839</b>	<b>1351429</b>
Net increase in cash and cash equivalents	(A+B+C) 333254	465241
Opening Balance of Cash and cash equivalents	1733963	1268722
<b>Closing Balance of Cash and cash equivalents</b>	<b>2067217</b>	<b>1733963</b>
* The above Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 on Statement of Cash Flows.		
<b>Shirish Jaltare</b> Whole Time Director (DIN: 00070935)	As Per our report of even date attached <b>STATUTORY AUDITORS</b> For <b>MAHENDRA BADJATYA &amp; CO</b> <b>CHARTERED ACCOUNTANTS</b> ICAI FRN 001457C	
<b>Leela Kalyani</b> Director (DIN: 06625369)		
<b>Sunil Khandelwal</b> Cheif Financial Officer	<b>CA M.K BADJATYA</b> <b>PARTNER</b> ICAI MNO 070578	
<b>Deepak Meena</b> Company Secretary (FCS: A41823)		
<b>PLACE: INDORE</b>		
<b>DATE:25.07.2020</b>		

**NOTE - 1**  
**PROPERTY PLANT & EQUIPMENT**

**2019-20**

(Amount in `)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	BALANCE AS AT 01.04.2019	ADDITIONS	DEDUCTION	BALANCE AS AT 31.03.2020	BALANCE AS AT 01.04.2019	FOR THE YEAR	DEDUCTION & ADJUSTMENT	TOTAL DEPRE- CIATION	AS AT 31.3.2020	AS AT 31.3.2019
<b>TANGIBLE ASSETS</b>										
Land (Leasehold)	363938	0	0	363938	0	0	0	0	363938	363938
Factory Building	6906473	0	0	6906473	3801800	108532	0	3910332	2996140	3104673
Well	52746	0	0	52746	32010	0	0	32010	20736	20736
Plant & Machinery	13012562	0	0	13012562	8384170	212580	0	8596750	4415812	4628392
Electric Installation	253355	0	0	253355	106059	0	0	106059	147296	147296
Furniture & Fixtures	283905	0	0	283905	279424	393	0	279817	4088	4481
Fire Extinguishers	80909	0	0	80909	77121	0	0	77121	3788	3788
Vehicles	2854453	0	0	2854453	2367844	240162	0	2608006	246447	486609
Office Equipments	1008001	0	0	1008001	614284	104645	0	718929	289072	393717
Computer Accessories	166851	0	0	166851	162273	0	0	162273	4578	4578
<b>Current Year</b>	24983193	0	0	24983193	15824985	666312	0	16491297	8491895	9158208
<b>Previous Year</b>	26559863	0	1576670	24983193	15833160	882541	890716	15824985	9158208	10726703

**NOTE:**

1. Gross Block includes Rs. 5427081/- added on revaluation of Land, Factory Building, Well, Plant & Machinery & Electric Installation as at 31.03.1993 based on report issued by valuers.

**NOTE - 2**  
**INVESTMENTS**

<b><u>PARTICULARS</u></b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>SHARES &amp; SECURITIES (Unquoted, fully paid up, at cost)</b>		
<b>In a Subsidiary Company - APT Infrastructure Pvt Ltd. (60%)</b>		
i) 600000 Equity Shares of of ` 10/- each.	6000000	6000000
ii) 7000, 0% Compulsory Convertible Debentures of ` 5000/- each, convertible at the end of 5th year of allotment being June 8, 2020	15047083	15047083
<b>Total</b>	<b>21047083</b>	<b>21047083</b>
<b>Aggregate amount of Unquoted Investments</b>	<b>21047083</b>	<b>21047083</b>

**NOTE - 3**  
**OTHER NON CURRENT ASSETS**

<b><u>PARTICULARS</u></b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Considered Good, Unsecured</b>		
Security Deposits	64229	104057
<b>Receivables which have significant increase in Credit Risk</b>		
Other Advances	0	4510000
Other Deposits	3000000	3000000
<b>Total</b>	<b>3064229</b>	<b>7614057</b>

**NOTE - 4**  
**INVENTORIES**  
(As taken, valued and certified by management)

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
i) Raw materials**	3052206	1296250
ii) Packing Material	2910742	8565999
iii) Finished good(Liquor)	1189408	16058441
iv) Work-in-progress	733765	733765
<b>Total</b>	<b>7886121</b>	<b>26654455</b>

\*\* Includes consumables

**NOTE - 5**  
**TRADE RECEIVABLES**

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Considered Good, Unsecured	341951	357776
<b>Total</b>	<b>341951</b>	<b>357776</b>

**NOTE - 6**  
**CASH AND CASH EQUIVALENTS**

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<u>Balances with Schedule Banks</u>		
In Current Accounts	915431	680922
Cash on Hand	56255	19183
Deposit with Banks #	1095531	1033858
<b>Total</b>	<b>2067217</b>	<b>1733963</b>

# Fixed Deposits ` 9.57 Lac [Previous Year 9.57 Lac] are held with Govt. Authorities as Gurantee or Security deposits with orignal maturity period of less than 12 months.

**NOTE - 7**  
**OTHER CURRENT ASSETS**

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Balances with Statutory/Revenue authorities	147766	1085634
Advance to suppliers & others	140675	73185
Prepaid Expenses	798923	191407
<b>Total</b>	<b>1087364</b>	<b>1350226</b>

**NOTE - 8**  
**EQUITY SHARE CAPITAL**

(Amount in `)

PARTICULARS	2019-20		2018-19	
	Number	Amount	Number	Amount
<b>AUTHORISED</b>				
Equity Shares of ` 10/- each	4250000	42500000	4250000	42500000
<b>Total</b>	<b>4250000</b>	<b>42500000</b>	<b>4250000</b>	<b>42500000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
Equity Shares of ` 10/- each	3790200	37902000	3790200	37902000
<b>Total</b>	<b>3790200</b>	<b>37902000</b>	<b>3790200</b>	<b>37902000</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

(Amount in `)

Particulars	2019-20		2018-19	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	3790200	37902000	3790200	37902000
Issued during the year	0	0	0	0
Bought back during the year	0	0	0	0
Outstanding at the end of the year	3790200	37902000	3790200	37902000

**b) Terms / Rights attached to Equity Shares**

- i) The company has only one class of equity share of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.
- ii) 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 the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares of the company**

Name of Shareholders	As at 31 March 2020		As at 31 March 2019	
	Number	% of Holding	Number	% of Holding
1. Royal Highland Distilleries Limited (Holding Company)	2267748	59.83%	2267748	59.83%
2. Kaveri Dealers Private Limited	448590	11.84%	448590	11.84%
3. Mrs. Gurveen Kaur Bhatia	219502	5.79%	219502	5.79%
<b>Total</b>	<b>2935840</b>	<b>77.46%</b>	<b>2935840</b>	<b>77.46%</b>

**NOTE - 9**

**OTHER EQUITY**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>Securities Premium</b>		
Balance as per last year	6717500	6717500
<b>General Reserve</b>		
Balance as per last year	1054945	1054945
<b>Capital Reserve</b>		
Balance as per last year	6784000	6784000
<b>Profit &amp; Loss Account</b>		
Opening Balance	(46047563)	(26539207)
Add: Surplus/ (Deficit) in statement of Profit & Loss	(34988038)	(19508356)
Closing Balance	(81035601)	(46047563)
<b>Total</b>	<b>(66479156)</b>	<b>(31491118)</b>

**NOTE - 10**  
**BORROWINGS**

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b><u>Loans Repayable on Demand</u></b>		
<b>From Bank (Secured)</b>		
Working Capital Loan(State Bank of India) (Secured against Hypothecation of Inventory, Trade Receivable, Outstanding monies, Receivable claims, Bill invoice documents, Contracts, Guarantees, Rights, Plant and Machinery and collateral security of immovable properties situated in Pithampur Dhar Plot No. 110, Sector-1 Industrial Area owned by company.)	0	8722709
<b>From others (Unsecured)</b>		
Inter Corporate deposits (Including Related Party ` 60237248)	71509393	41700977
<b>Total</b>	<b>71509393</b>	<b>50423686</b>

**NOTE - 11**  
**TRADE PAYABLES**

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Micro, Small and Medium Enterprises To Others	0	0
	6906423	14548489
<b>Total</b>	<b>6906423</b>	<b>14548489</b>

**NOTE - 12**  
**OTHER CURRENT LIABILITIES**

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Creditors for Expenses	783025	2734937
Creditor for capital goods	0	148021
Outstanding Liabilities for Statutory Dues	197307	256130
Others (Related Party)	0	200000
<b>Total</b>	<b>980332</b>	<b>3339088</b>

**NOTE - 13**  
**PROVISIONS**

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Employee Benefits	306352	339557
Professional Fees	57500	55000
Employee contribution to CM Relief Fund	3950	0
<b>Total</b>	<b>367802</b>	<b>394557</b>

**NOTE - 14**  
**REVENUE FROM OPERATIONS**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Liquor - (Indian Made Foreign Liquor)	143325	4455477
Scrap sale	70563	0
<b>Total</b>	<b>213888</b>	<b>4455477</b>

**NOTE - 15**  
**OTHER INCOME**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest</b>		
From Bank on Fixed Deposits	68526	57190
Other Interest	5898	6625
Profit from Sale of Fixed Assets	0	14046
Prior Period Item Written Back	0	86718
<b>Total</b>	<b>74424</b>	<b>164579</b>

**NOTE - 16**  
**COST OF MATERIAL CONSUMED**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials	0	341953
Packing Materials	0	699771
<b>Total</b>	<b>0</b>	<b>1041724</b>



**NOTE - 17**  
**CHANGES IN INVENTORIES OF STOCK-IN-TRADE**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(Increase) / Decrease in Stock in Trade</b>		
Opening Stock		
Finished Goods	16058441	24234871
Work in Process	733765	1592185
Less : Stock out Transfer	1860364	523275
Less : Closing Stock		
Finished Goods	1189408	16058441
Work in Process	733765	733765
<b>Total</b>	13008669	8511575
less - Transfer to Exceptional Items	12865344	0
<b>Total</b>	143325	8511575

**NOTE - 18**  
**EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary, Wages & Bonus	2631903	2676146
Contributions to Provident Fund & ESIC	156720	134739
Gratuity contribution to LIC	0	116332
<b>Total</b>	2788623	2927217

**NOTE - 19**  
**FINANCE COSTS**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b><u>Interest Expenses</u></b>		
To Bank		
Interest on Working Capital Loan	1300061	945901
To Inter corporate deposits (Including related party ` 3067964)	4283627	3265273
<b>Total (a)</b>	<b>5583688</b>	<b>4211174</b>
<b><u>Other Borrowing Cost</u></b>		
Bank Processing Fees	60180	54870
<b>Total (b)</b>	<b>60180</b>	<b>54870</b>
<b>Total (a+b)</b>	<b>5643868</b>	<b>4266044</b>

**NOTE - 20**  
**OTHER EXPENSES**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>a) Manufacturing Expenses</b>		
Bottling Charges	0	42593
Bottling Fees	0	121946
Insurance Charges	112108	27364
Factory Expenses	4600	0
Labour Charges	47250	0
Label Registration Fees	412500	1485000
Licence & Fees	1705941	1704853
Power & Water charges	612381	564984
Testing Fees/Development Charges	27612	2550
<b>Total (a)</b>	<b>2922392</b>	<b>3949290</b>
<b>b) Selling &amp; Distribution Expenses</b>		
Breakage/ Demurrage charges	155000	133427
Freight Inwards	154356	66141
Freight, Loading & Unloading charges	13434	207848
Freight Outward	16800	0
Management Fee	0	132290
Transport Fee	1000	43739
<b>Total (b)</b>	<b>340590</b>	<b>583445</b>
<b>c) Administrative &amp; General Expenses</b>		
Advertisement	60190	49392
Auditors Remuneration {Refer Note No. 22 (B) (5)}	50000	50000
Bank Charges	23987	30848
Custodian Fee	21240	14714
Electricity Charges	48800	28643
Interest and Damages Charges	135	10107
Lease Rent	232	232
Legal Fee	80937	69910
Listing Fees	354000	295000
Maintenance Charges	133053	150009
Office Expenses	3644	11360
Postage & Telephone Expenses	25660	47497
Printing & Stationery	55295	56024
Professional Charges	245363	583694
Rates, taxes and duties	63481	11697
Rent	360000	450000
Sundry balances Written Off [Net]	0	107449
Travelling	1360	0
<b>Total (c)</b>	<b>1527377</b>	<b>1966576</b>
<b>Total (a+b+c)</b>	<b>4790359</b>	<b>6499311</b>

**NOTE - 21**  
**EXCEPTIONAL ITEM**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of Material Consumed		
Raw Materials (including Consumables)	104408	0
Packing Materials	5764157	0
Changes in Inventories of Stock in Trade	12865344	0
Sundry Balances Written Off (net)	2509954	0
<b>Total</b>	<b>21243863</b>	<b>0</b>

## **22. SIGNIFICANT ACCOUNTING POLICIES & ADDITIONAL NOTES TO ACCOUNTS FORMING AN INTERGRAL PART OF THESE FINANCIAL STATEMENTS**

### **A. SIGNIFICANT ACCOUNTING POLICIES**

#### **1. COMPANY BACKGROUND**

Silver Oak (India) Limited (the 'Company') is a domestic public limited Company having its Registered office situated at Plot No. 110, Sector-I, Industrial Area, Pithampur, Dhar Madhya Pradesh – 454775. Company is listed at Bombay Stock Exchange Limited (BSE). The company is engaged in the business of manufacturing of Indian Made Foreign Liquor.

#### **2. Basis for preparation of Financial Statements**

The accounts have been prepared in accordance with IND AS to the extent applicable to the Company, and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in revised Schedule – III to the Companies Act, 2013.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except as stated elsewhere in these financial statements and except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

#### **3. Current/ Non-Current Classification**

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

#### **4. Use of Estimates and Judgments**

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialized.

#### **5. Property, Plant and Equipment**

#### Measurement and recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost.

Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any.

#### Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as per the provisions of Schedule II of the Companies Act 2013.

### **6. Impairment**

Impairment loss if any is provided to the extent the carrying amount of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

### **7. Revenue**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and trade discounts allowed by the Company.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as value added tax, central sales tax and goods and service tax are excluded from revenue.

#### Sale of products:

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

### **8. Inventory**

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. The cost in respect of the various items of inventory is arrived at 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.

## 9. **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

## 10. **Investment in subsidiary and associate Companies**

The Company has elected to recognize its investments in subsidiary company at cost in accordance with the option available in Ind AS 27 and 28.

## **11. Income Taxes**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the reporting period as per the applicable provisions of the Income Tax Act 1961.

### Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

## **12. Provisions and Contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

## **13. Employee Benefits**

### i) Short Term Employee Benefits

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

### i) Long Term Employee Benefits

#### • Provident Fund & Employees State Insurance Scheme:

As per the Employees' Provident Fund and Miscellaneous Provision Act, 1952 all eligible employees of the company are entitled to receive benefits under the provident fund and 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 the Government of India.

The Company's contribution to these schemes are recognized as expense in the statement of profit of loss during the period in which the employees renders the related service. The company has no further obligation under these plans beyond its monthly contribution.

#### • Gratuity:

The Company has provided for Gratuity in accordance with the Ind AS - 19

“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 payments of the liability as calculated by them.

**14. Borrowing Cost**

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

**15. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**(B) ADDITIONAL NOTES ON STANDALONE FINANCIAL STATEMENTS**

1. Notes 1 to 22 referred herein above forms an integral part of these Standalone Ind AS Financial Statements.
2. (I) **CONTINGENT LIABILITIES: NIL**  
(II) **COMMITMENTS: NIL**
3. As per Ind AS 109 the long-term investments held by the company in its subsidiary are to be carried at cost. All the investments of the Company have been considered by the management to be of long-term nature.

**4. DEFERRED TAX ASSETS AS PER IND AS – 12**

In view of accumulated losses and uncertainty of its realization in the near future the deferred tax asset has not been adjusted against the loss of ` 35410522/- by the company as a matter of prudence.

**5. AUDITOR'S REMUNERATION:**

(Amount in `)

Particulars	2019-20	2018-19
Statutory Audit Fees	40000	40000
Certification and other charges	10000	10000
Total	<b>50000</b>	<b>50000</b>

**6. Related Party Transactions Per Ind AS – 24**

**(I) Name of Related Parties:**

- (a) Holding Company: Royal Highland Distilleries Ltd (59.83%)
- (b) Subsidiary Company: APT Infrastructure Pvt Ltd (60%)
- (c) Related Concern
  - 1) Great Galleon Ventures Limited
  - 2) Mantra Investment LLP
- (c) Key Managerial Personnel/ Directors:
  - Leela Kalyani (Non-Executive Director)
  - Shirish Jaltare (Whole Time Director)
  - Suresh Kejriwal (Independent Director)
  - Prakash Gadia (Independent Director)
  - Sunil Khandelwal (Chief Financial Officer)
  - Deepak Meena (Company Secretary)



**(II) Transactions with Related Party:**

Name of Party	Relationship	Nature of Transaction	Amount (₹)
Royal Highland Distilleries Ltd	Holding Company	Loan Taken	26000000
		Interest Accrued	3067964
Mantra Investment LLP	Related Concern	Loan Taken	10000000
		Loan Repaid	10000000
		Interest Paid	46849
Sunil Khandelwal	Chief Financial Officer	Remuneration Paid	702720
Deepak Meena	Company Secretary	Remuneration Paid	554184

**7. BASIC AND DILUTED EPS**

(Amount in `)

Particulars	2019-20	2018-19
Net Profit attributable to equity shareholders	(34988038)	(19508356)
Number of equity shares issued (basic)	3790200	3790200
Number of equity shares issued (weighted)	3790200	3790200
<b>Basic and Diluted earnings per share</b>	(9.23)	(5.15)

8. The inventories amounting to `7886121/- (Previous Year - `26654455/-) is shown at cost instead of valuation at cost or net realizable value whichever is lower. (As per Ind AS 2). Ascertainment of net realizable value requires technical judgments and consideration of market related factors. The impact of diminution in the valuation thereof, if any, will be accounted for in the year of consumption/realization.
9. Balance of Trade Receivables, Trade Payables, Trade Deposit, Loans and Advances and others are subject to respective consent, confirmation, reconciliation and consequent adjustment, if any.
10. No provisions against the doubtful advance of `3000000/- (Previous Year - `7510000/-) has been made as there are chances of recovery thereof.
11. There were no dues outstanding for more than 45 days to any micro, small and medium enterprises creditors. The aforesaid information has been arrived at to the extent such communication has been received from the respective parties by the company.
12. Additional information pursuant to the provisions of Part – II of schedule III to the Companies Act, 2013 are - NIL
13. The Company is Subsidiary of Royal Highland Distilleries Ltd (CIN: U51228WB1992PLC056959) with 59.83% (i.e. 2267748 shares) stakes, thereby making

the same as its holding. The relevant consolidated Ind AS financial statements are separately prepared.

14. The Company is Holding Company of APT Infrastructure Private Limited (CIN: U45400DL2007PTC170319) with 60% (i.e. 600000 shares) stakes, thereby making the same as its subsidiary. The relevant consolidated Ind AS financial statements are separately prepared.
15. The Company holds 7000, 0% Compulsory Convertible Debentures (Series II) of its subsidiary APT Infrastructure Private Limited at a price of Rs. 5000/- each which is compulsorily convertible in equity share at the end of 60 months i.e. 8 June 2020, which is extended for further term of 5 years.
16. Previous year's figures have been regrouped /reclassified wherever necessary to confirm to current year's classification.
17. Figures are rounded off to the nearest multiple of ` (Rupee).

**Shirish Jaltare**  
**Whole Time Director**  
**(DIN: 00070935)**

**Leela Kalyani**  
**Director**  
**(DIN: 06625369)**

**Sunil Khandelwal**  
**Chief Financial Officer**

**Deepak Meena**  
**Company Secretary**  
**(FCS: A41823)**

**PLACE: INDORE**  
**Date:25.07.2020**

**As Per our report of even date attached**  
**STATUTORY AUDITORS**  
**For MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**CA M.K BADJATYA**  
**PARTNER**  
**ICAI MNO 070578**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SILVER OAK (INDIA) LIMITED**

#### **REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

##### **OPINION**

We have audited the accompanying consolidated Ind AS financial statements of Silver Oak (India) Limited (hereinafter referred to as "the Holding Company"), its subsidiary company collectively referred to as "the Group" comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### **BASIS FOR OPINION**

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

##### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENT**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of

the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **EMPHASIS OF MATTER**

We draw attention to the notes to the additional notes on accounts no. 31(B)(9) to the consolidated financial statements regarding the inventories amounting to `7886121/- (Previous Year-` 2,66,54,455/-) which have been shown at cost. As per Ind AS 2 - "Valuation of Inventories", inventories should be valued at cost or net realizable value whichever is lower. Such valuation requires technical judgments and consideration of market related factors. Therefore, we are unable to comment upon the fair value of such inventory, any provision for diminution in value of stock and quantification of its impact on financial position and results of the company. Our report is not qualified in the matter.

We also draw attention to the explanatory notes on accounts no. 31(B)(11) to the consolidated financial statements regarding no provision against loans and advances amounting to `30.00 Lacs (Previous Year - ` 75.10 Lacs). Our report is not qualified in the matter.

#### **OTHER MATTERS**

We did not audit the financial statement of the subsidiary whose financial statement reflect total assets of ` 33.30 crore as at 31<sup>st</sup> March 2020 and total revenues of ` 1.13 crore, as considered in the consolidated financial statement. The aforesaid financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to

our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### **INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary company, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2020, taken on record by the Board of Directors, none of the director is disqualified as on March 31<sup>st</sup>, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at March 31<sup>st</sup>, 2020 on its financial position vide Additional Notes on Accounts no. 31(B)(2)(I) in its consolidated financial statements.
- b. Subject to the additional notes on accounts, the Company has made adequate provision as at March 31<sup>st</sup> 2020, as required under the applicable law or Indian accounting standards, for material foreseeable losses acknowledged by the company, if any, on long-term contracts including derivative contracts.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Statutory Auditors  
**FOR: MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**CA M.K BADJATYA**  
**PARTNER**  
**ICAI MNO 070578**

**PLACE: INDORE**  
**DATE: 25/07/2020**  
**ICAI UDIN 20070578AAAAAL8677**

## **Annexure - "A" to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Silver Oak (India) Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Silver Oak (India) Limited (hereinafter referred to as the "Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITORS' RESPONSIBILITY**

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

A company's internal financial control over financial reporting with reference to these



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

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

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

#### **OPINION**

In our opinion, the Holding Company, its subsidiary company which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **OTHER MATTERS**

Our aforesaid report under Section 143 sub section (3) clause (i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting insofar as it relates to APT Infrastructure Private Limited a subsidiary company, incorporated in India is not examined by us and no corresponding report on the auditors of such company are available and solely based on Management Representation letter and information provided to us.

Statutory Auditors  
**FOR: MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**  
**CA M.K BADJATYA**  
**PARTNER**  
**ICAI MNO 070578**

**PLACE: INDORE**  
**DATE: 25/07/2020**  
**ICAI UDIN 20070578AAAAAL8677**

**SILVER OAK (INDIA) LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020**

(Amount in `)

PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		9959738	10629513
Right-to-use Asset	1	1982936	0
Other Intangible Assets		15020	28583
<b>Financial Assets:</b>			
Investments	2	90521805	84532053
Others Financial Assets	3	219174	0
Deffered Tax Assets (Net)		7200795	7171674
Other Non-Current Assets	4	4478836	9182664
<b>Total Non-Current Assets</b>	<b>(A)</b>	<b>114378303</b>	<b>111544487</b>
<b>Current Assets</b>			
Inventories	5	11956698	30725032
Financial Assets			
Trade Receivables	6	13799479	18399198
Cash and Cash Equivalents	7	4952602	25408069
Other Bank Balances	8	39957383	43933832
Loans	9	96000000	51000000
Other Financial Assets	10	22391786	16693103
Current Tax Assets	11	948335	2084773
Other Current Assets	12	28671246	58477526
<b>Total Current Assets</b>	<b>(B)</b>	<b>218677529</b>	<b>246721533</b>
<b>TOTAL ASSETS</b>	<b>(A+B)</b>	<b>333055832</b>	<b>358266020</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	13	37902000	37902000
Other Equity	14	78680241	115143448
<b>Equity attributable to owners of the Company</b>		<b>116582241</b>	<b>153045448</b>
Non-Controlling Interest	15	87340836	88333590
<b>Total Equity</b>	<b>(A)</b>	<b>203923077</b>	<b>241379038</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	25000000	25320204
Other Financial Liabilities	18	1127564	0
<b>Total Non-Current Liabilities</b>	<b>(B)</b>	<b>26127564</b>	<b>25320204</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	17	71509393	50820346
Other Financial Liabilities	19	1214898	0
Trade Payables	20	13991215	21992209
Current Tax Liabilities (Net)		0	46302
Other Current Liabilities	21	15921883	18313364
Provisions	22	367802	394557
<b>Total Current Liabilities</b>	<b>(C)</b>	<b>103005191</b>	<b>91566778</b>
<b>TOTAL LIABILITIES</b>	<b>(A+B+C)</b>	<b>333055832</b>	<b>358266020</b>

Significant Accounting Policies & Additional Notes on  
Accounts forming an Integral part of these Consolidated  
Financial Statements.

Shirish Jaltare  
Whole Time Director  
(DIN: 00070935)

Leela Kalyani  
Director  
(DIN: 06625369)

Sunil Khandelwal  
Chief Financial Officer

Deepak Meena  
COMPANY SECRETARY  
(FCS: A41823)

PLACE: INDORE  
DATE: 25.07.2020

As Per our report of even date attached  
STATUTORY AUDITORS  
For MAHENDRA BADJATYA & CO  
CHARTERED ACCOUNTANTS  
ICAI FRN 001457C

CA M.K. BADJATYA  
PARTNER  
ICAI MNO 070578  
ICAI UDIN 20070578AAAAAL8677

**SILVER OAK (INDIA) LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31st, 2020**

(Amount in `)

PARTICULARS	Note No.	For the Year Ended March 31,2020	For the Year Ended March 31,2019
<b>Income</b>			
Revenue from Operations	23	213888	60621977
Other Income	24	11044744	10811024
<b>Total Income</b>		<b>11258632</b>	<b>71433001</b>
<b>Expenses</b>			
Cost of Material Consumed	25	0	1041724
Cost of Construction	26	0	40817974
Changes in Inventories of Stock in Trade	27	143325	8511575
Employee Benefit Expenses	28	4393483	6919708
Finance Cost	29	5912544	4343537
Depericiation and Amortisation Expenses	1	1706506	1136449
Other Expenses	30	15011206	30987509
<b>Total Expenses</b>		<b>27167064</b>	<b>93758476</b>
<b>Profit/(Loss) Before Exceptional Items &amp; Tax</b>		<b>(15908432)</b>	<b>(22325475)</b>
Exceptional Item	31	(21243863)	404531
<b>Profit/(Loss) Before Tax</b>		<b>(37152295)</b>	<b>(21920944)</b>
Tax Expenses :			
(i) Current Tax		326750	1158503
(ii) Deferred Tax		(29122)	282664
<b>Profit for the Period for Continued Operations</b>		<b>(37449923)</b>	<b>(23362111)</b>
Other Comprehensive Income		0	0
<b>Total Comprehensive Income for the period</b>		<b>(37449923)</b>	<b>(23362111)</b>
<b>Allocation for the year</b>			
Share of Profit/(Loss) Attributable to Parent		(36457169)	(21820609)
Share of Profit/(Loss) Attributable to Non Controlling Interest		(992754)	(1541502)
<b>Earnings per equity share :</b>			
(i) Basic ( ` )		(9.88)	(6.16)
(ii) Diluted ( ` )		(9.88)	(6.16)

Significant Accounting Policies & Additional Notes on Accounts forming an Integral part of these Consolidated Financial Statements.

**Shirish Jaltare**  
**Whole Time Director**  
**(DIN: 00070935)**

**Leela Kalyani**  
**Director**  
**(DIN: 06625369)**

**Sunil Khandelwal**  
**Cheif Finanical Officer**

**Deepak Meena**  
**COMPANY SECRETARY**  
**(FCS: A41823)**

**PLACE: INDORE**  
**DATE:25.07.2020**

As Per our report of even date attached  
**STATUTORY AUDITORS**  
**For MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**CA M.K. BADJATY/**  
**PARTNER**  
**ICAI MNO 070578**  
**ICAI UDIN 20070578AAAAAL8677**

**SILVER OAK (INDIA) LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR 2019-20**

(Amount in `)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Profit and Loss Account	(37152295)	(21088203)
Non Controlling Interest		
Adjustment to reconcile netprofit to cash provided by operating activities:		
Depreciation and Amortisation Expenses	1706506	1136449
(Profit)/Loss on Sale of Asset	0	(418577)
Loss on Sale of investments	10248	16197533
Fair Value of financial assets	0	0
Interest Income and Dividend Income	(10051473)	(6023800)
Finance Cost	5912544	4343537
<b>Operating Profit before working capital changes</b>	<b>(39574470)</b>	<b>(5853061)</b>
Changes in assets and liabilities		
Inventories	18768334	54220437
Trade receivables and unbilled revenues	4599719	#REF!
Loans and other financial assets and other assets	34653618	(3672829)
Trade payables	(8000994)	(2267860)
Other financial liabilities and other liabilities and provisions	(2400236)	(7256836)
<b>Cash Generated from operations</b>	<b>8045971</b>	<b>#REF!</b>
Income tax Paid (Net of refunds)	959939	(1267424)
<b>Net Cash Generated by Operating Activities (A)</b>	<b>9005910</b>	<b>#REF!</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure on property, plant and equipments	(260500)	2707910
Payment to acquire investments	(6000000)	-544291315
Proceeds from sale investments	0	564428073
Security Transaction Tax	0	(71696)
Portfolio management fees	0	(2192200)
Loan Granted	(45000000)	(51000000)
Investment in Fixed Deposits	(94296178)	(146095460)
Maturity in Fixed Deposits	98272628	134864384
Interest and dividend received	3989830	3842902
<b>Net Cash Used in Investing Activities (B)</b>	<b>(43294220)</b>	<b>(37807402)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings (including current maturities)	21085707	5617473
Payment on redemption of cumplusory/optional convertible debentures	0	0
Repayment of borrowings (including current maturities)	(1340320)	(364624)
Payment of interest	(5912544)	(4343537)
<b>Net Cash Used in Financing Activities (C)</b>	<b>13832843</b>	<b>909312</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(20455468)</b>	<b>#REF!</b>
Opening Balance of Cash and cash equivalents	25408070	19774114
<b>Closing Balance of Cash and cash equivalents</b>	<b>4952602</b>	<b>#REF!</b>

\* The above Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard - 7 on Statement of Cash Flows.

Shirish Jaltare  
Whole Time Director  
(DIN: 00070935)

Leela Kalyani  
Director  
(DIN: 06625369)

Sunil Khandelwal  
Chief Financial Officer

Deepak Meena  
COMPANY SECRETARY  
(FCS: A41823)

PLACE: INDORE  
DATE: 25.07.2020

As Per our report of even date attached  
STATUTORY AUDITORS  
For MAHENDRA BADJATYA & CO  
CHARTERED ACCOUNTANTS  
ICAI FRN 001457C

CA M.K. BADJATYA  
PARTNER  
ICAI MNO 070578  
ICAI UDIN 20070578AAAAAL8677

**SILVER OAK (INDIA) LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31st 2020**

(Amount in `)

**A. EQUITY SHARE CAPITAL**

2019-20

Balance as at March 31,2019	Changes in equity share capital during the year	Balance as at March 31,2020
37902000	0	37902000

**B. OTHER EQUITY**

(Amount in `)

Particulars	Reserve and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Capital Reserve on Consolidation	Retained Earnings	
<b>Balance as at March 31,2019</b>	<b>6784000</b>	<b>6717500</b>	<b>1054945</b>	<b>146421357</b>	<b>(45834354)</b>	<b>115143448</b>
Profit for the Year	-	-	-	-	(37449923)	(37449923)
Income Tax Prior Period	-	-	-	-	(6038)	(6038)
Other Comprehensive Income for the Year	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-	(37455961)	(37455961)
<b>Transactions with owners in capacity as owners</b>						
Dividends	-	-	-	-	-	-
Bonus Shares	-	-	-	-	-	-
Movement during the year	-	-	-	(1489132)	2481886	992754
<b>Balance as at March 31,2020</b>	<b>6784000</b>	<b>6717500</b>	<b>1054945</b>	<b>144932225</b>	<b>(80808429)</b>	<b>78680241</b>

Shirish Jaltare  
 Whole Time Director  
 (DIN: 00070935)

Leela Kalyani  
 Director  
 (DIN: 06625369)

Sunil Khandelwal  
 Chief Financial Officer

Deepak Meena  
 COMPANY SECRETARY  
 (FCS: A41823)

PLACE: INDORE  
 DATE:25.07.2020

As Per our report of even date attached  
**STATUTORY AUDITORS**  
 For MAHENDRA BADJATYA & CO  
 CHARTERED ACCOUNTANTS  
 ICAI FRN 001457C

**CA M.K. BADJATYA**  
 PARTNER  
 ICAI MNO 070578  
 ICAI UDIN 20070578AAAAAL8677

**NOTE - 1****PROPERTY PLANT & EQUIPMENT  
2019-20**

(Amount in `)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	BALANCE AS AT 01.04.2019	ADDITIONS	DEDUCTION	BALANCE AS AT 31.03.2020	BALANCE AS AT 01.04.2019	FOR THE YEAR	DEDUCTION & ADJUSTMENT	TOTAL DEPRE- CIATION	AS AT 31.3.2020	AS AT 31.3.2019
Land	363938	0	0	363938	0	0	0	0	363938	363938
Factory Building	6906473	0	0	6906473	3801801	108532	0	3910333	2996141	3104673
Well	52746	0	0	52746	32010	0	0	32010	20736	20736
Plant & Machinery	13012562	0	0	13012562	8384170	212580	0	8596750	4415813	4628393
Electric Installation	253355	0	0	253355	106059	0	0	106059	147297	147297
Furniture & Fixtures	854183	260500	0	1114683	849703	29373	0	879076	235607	4480
Fire Extinguishers	80909	0	0	80909	77121	0	0	77121	3788	3788
Vehicles	4404333	0	0	4404333	2613345	424288	0	3037633	1366701	1790989
Office Equipments	1266232	0	0	1266232	862478	105895	0	968373	297860	403755
Gym Equipments	0	0	0	0	0	0	0	0	0	0
Computer Accessories	466479	0	0	466479	305014	49607	0	354621	111859	161466
Building (APT)	0	2745604	0	2745604	0	762668	0	762668	1982936	0
<b>Current Year</b>	27661210	3006104	0	30667314	17031701	1692943	0	18724644	9959738	10629513
<b>Previous Year</b>	31253235	0	0	27661210	17031701	0	0	17031701	10629513	10629513

## NOTE:

- Plant and Machinery and collateral security of immovable properties situated in Pithampur Dhar Plot No. 110, Sector-1 Industrial Area owned by company has been charged against the CC Loan of ` 90 Lac
- Gross Block includes Rs. 5427081/- added on revaluation of Land, Factory Building, Well, Plant & Machinery & Electric Installation as at 31.03.1993 based on report issued by valuers.

**OTHER INTANGIBLE ASSETS  
2019-20**

(Amount in `)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	BALANCE AS AT 01.04.2019	ADDITIONS	DEDUCTION	BALANCE AS AT 31.03.2020	BALANCE AS AT 01.04.2019	FOR THE YEAR	DEDUCTION & ADJUSTMENT	TOTAL DEPRE- CIATION	AS AT 31.03.2020	AS AT 31.3.2019
Computer software	58148	0	0	58148	29565	13563	0	43128	15020	28583
<b>Current Year</b>	58148	0	0	58148	29565	0	0	43128	15020	28583
<b>Previous Year</b>	12000	58148	12000	58148	1600	0	0	0	43835	10400

**NOTE - 2**  
**INVESTMENTS**

(Amount in `)

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Investments in Equity shares of Associates</b>		
<b>Unquoted</b>		
ROCOCO Mining Technologies Pvt Ltd. (4990 (Nil) equity shares of Rs. 10 each, fully paid)	26888303	26888303
SVR Realtors Private Limited (230000 (Nil) equity shares of Rs. 10 each, fully paid)	57643750	57643750
<b>Total</b>	<b>84532053</b>	<b>84532053</b>
Aggregate amount of unquoted investments	84532053	84532053

**NOTE - 3**  
**OTHER FINANCIAL ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Rental Security Deposit	219174	
<b>Total</b>	<b>219174</b>	<b>0</b>

**NOTE - 4**  
**OTHER NON CURRENT ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, Considered good</b>		
Security Deposits	1478836	1672664
<b>Unsecured, Considered doubtful</b>		
Other Advances	0	4510000
Other Deposits	3000000	3000000
<b>Total</b>	<b>4478836</b>	<b>9182664</b>



**NOTE - 5**  
**INVENTORIES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
i) Raw materials**	3052206	1296250
ii) Packing Material	2910742	8565999
iii) Finished good	1189408	16058441
iv) Work-in-progress	733765	733765
v) Project work in progress	1981461504	1981461504
	(1977390927)	(1977390927)
Less: Year to date proportionate construction cost related to sale of residential units transferred to statement of Profit and Loss		
<b>Total</b>	<b>11956698</b>	<b>30725032</b>
** Includes consumables		

**NOTE - 6**  
**TRADE RECEIVABLES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>(Considered Good, Unsecured)</b>		
<u>Overdue for more than six months</u>		
Considered Good	341951	357776
Total (a)	341951	357776
<u>Others</u>		
Considered Good	13457528	18041422
Considered Doubtful	7912065	4559462
	21369593	22600884
Less: Allowances for expected credit losses	(7912065)	(4559462)
Total (b)	13457528	18041422
<b>Total (a+b)</b>	<b>13799479</b>	<b>18399198</b>

**NOTE - 7**  
**CASH AND CASH EQUIVALENTS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<u>Balances with Schedule Banks</u>		
In Current Accounts	3800816	24355028
Cash on Hand	56255	19183
Deposit with Banks #	1095531	1033858
<b>Total</b>	<b>4952602</b>	<b>25408069</b>
# Fixed Deposits ` 9.57 Lac [Previous Year 8.70 Lac] are held with Govt. Authorities as guarantee or Security deposits with original maturity period of less than 12 months.		

**NOTE - 8**  
**OTHER BANK BALANCES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Deposit with bank (having original maturity of more than three months but less than twelve months from Balance sheet date) #	39957383	43933832
<b>Total</b>	<b>39957383</b>	<b>43933832</b>
Less: Disclosed as other non current assets		0
<b>Total</b>	<b>39957383</b>	<b>43933832</b>
# Deposits with bank for the year includes deposit held as margin money/security against the bank guarantee amounting to `2.51 Core (Pr. Yr. `1.95 Crore)		

**NOTE - 9**  
**LOANS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>(Considered Good and Unsecured )</b>		
Other Loans & Advances	96000000	51000000
<b>Total</b>	<u>96000000</u>	<u>51000000</u>

**NOTE - 10**  
**OTHER FINANCIAL ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured and considered good)</b>		
Interest accrued on fixed deposits	1594665	845042
Other interest receivables	7126569	2033999
Recoverable from Related Party	13670552	13814062
<b>Total</b>	<u>22391786</u>	<u>16693103</u>

**NOTE - 11**  
**CURRENT TAX ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
TDS, advance tax net of provision for income tax	948335	1929550
<b>Total</b>	<u>948335</u>	<u>1929550</u>

**NOTE - 12**  
**OTHER CURRENT ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>[Unsecured, Considered Good, unless otherwise stated]</b>		
(i) Advances other than capital advances		
Security Deposit	20000000	50000000
(ii) Others		
Balance with Statutory/Revenue authorities	6409797	7367427
Advance to suppliers	265181	197691
Other Recoverables	678859	682499
Prepaid Expenses	1280679	220286
Imprest advance	36730	9623
<b>Total</b>	<u>28671246</u>	<u>58477526</u>

**NOTE - 13**  
**EQUITY SHARE CAPITAL**

(Amount in `)

PARTICULARS	2019-20		2018-19	
	Number	Amount	Number	Amount
<b>AUTHORISED</b>				
Equity Shares of ` 10/- each	4250000	42500000	4250000	42500000
<b>Total</b>	<b>4250000</b>	<b>42500000</b>	<b>51000000</b>	<b>42500000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
Equity Shares of ` 10/- each	3790200	37902000	3790200	37902000
<b>Total</b>	<b>3790200</b>	<b>37902000</b>	<b>3790200</b>	<b>37902000</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

(Amount in `)

Particulars	2019-20		2018-19	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	3790200	37902000	3790200	37902000
Issued during the year	0	0	0	0
Bought back during the year	0	0	0	0
<b>Outstanding at the end of the year</b>	<b>3790200</b>	<b>37902000</b>	<b>3790200</b>	<b>37902000</b>

**b) Terms / Rights attached to Equity Shares**

i) The company has only one class of equity share of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.

ii) 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 the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares of the company**

Name of Shareholders	As at 31 March 2020		As at 31 March 2019	
	Number	% of Holding	Number	% of Holding
1. Royal Highland Distilleries Limited	2267748	59.83%	2267748	59.83%
2. Kaveri Dealers Private Limited	448590	11.84%	448590	11.84%
3. Mrs. Gurveen Kaur Bhatia	219502	5.79%	219502	5.79%
<b>Total</b>	<b>2935840</b>	<b>77.46%</b>	<b>2935840</b>	<b>77.46%</b>

**NOTE - 14**  
**OTHER EQUITY**

(Amount in `)

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Securities Premium</b>		
Balance as per last year	6717500	6717500
<b>General Reserve</b>		
Balance as per last year	1054945	1054945
<b>Capital Reserve</b>		
Balance as per last year	6784000	6784000
<b>Capital Reserve on Consolidation</b>		
Balance as per last year	146421357	148733610
Add : Transferred from Surplus in Consolidated Statement of Profit and Loss	(1489132)	(2312253)
<b>Closing Balance</b>	<b>144932225</b>	<b>146421357</b>
<b>Surplus</b>		
Opening Balance	(45834354)	(26325949)
Add: Surplus/(Deficit) in statement of Profit & Loss	(37449923)	(23362111)
Add: Income Tax of Prior Period	(6038)	(49)
Less: Transfer to Non Controlling Interest	992754	1541502
Less: Transfer to Capital Reserve on Consolidation	1489132	2312253
<b>Closing Balance</b>	<b>(80808429)</b>	<b>(45834354)</b>
<b>Total</b>	<b>78680241</b>	<b>115143448</b>

**Note - 15**  
**NON CONTROLLING INTEREST**

(Amount in `)

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Non Controlling Interest on Consolidation	88333590	89875092
Add : Transferred from Surplus in Consolidated Statement of Profit and Loss	(992754)	(1541502)
<b>Total</b>	<b>87340836</b>	<b>88333590</b>

**NOTE - 16**  
**BORROWINGS**

(Amount in `)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>Term Loan</b>		
i) From Bank - Term Loan	0	320204
<b>Unsecured Loans</b>		
Debentures		
- Compulsory Convertible Debentures	25000000	25000000
<b>Total</b>	<b>25000000</b>	<b>25320204</b>

**NOTE - 17**  
**BORROWINGS**

(Amount in `)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>Loans Repayable on Demand</b>		
<b>i) From Banks (Secured)</b>		
a) Working Capital Loan	0	8722709
Working capital loan secured against Hypothecation of Inventory, Trade Receivable, Outstanding monies, Receivable claims, Bill invoice documents, Contracts, Guarantees, Rights, Plant and Machinery and collateral security of immovable properties situated in Pithampur Dhar Plot no. 110. Sector-1 Industrial Area owned by company.		
b) Term Loans	0	396660
<b>ii) From others (Unsecured)</b>		
a) Intercompany Deposits (Including Related Party ` 31169284)	71509393	41700977
<b>Total</b>	<b>71509393</b>	<b>50820346</b>

**NOTE - 18**  
**OTHER FINANCIAL LIABILITIES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
lease liabilities of APT	1127564	0
<b>Total</b>	<b>1127564</b>	<b>0</b>

**NOTE - 19**  
**OTHER FINANCIAL LIABILITIES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
lease liabilities of APT	876694	0
Current maturities of non-current borrowings	320204	0
Security Deposits	18000	0
<b>Total</b>	<b>1214898</b>	<b>0</b>

**NOTE - 20**  
**TRADE PAYABLES**

(Amount in `)

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Micro, Small and Medium Enterprises	0	0
To Others	13991215	21992209
<b>Total</b>	<b>13991215</b>	<b>21992209</b>

**NOTE - 21**  
**OTHER CURRENT LIABILITIES**

(Amount in `)

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Maintenance security recovered from customers	14543636	14424560
Creditor for expenses	1054119	2924637
Creditor for capital goods	0	148021
Outstanding Liabilities for		
- Statutory Dues	324128	616146
- Other (Related Party)	0	200000
<b>Total</b>	<b>15921883</b>	<b>18313364</b>

**NOTE - 22**  
**PROVISIONS**

(Amount in `)

<b>PARTICULARS</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Provision for Employee Benefits	306352	339557
Employee contribution to CM Relief Fund	3950	0
Provision for Professional Fees	57500	55000
<b>Total</b>	<b>367802</b>	<b>394557</b>

**NOTE - 23**  
**REVENUE FROM OPERATION**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Liquor- (Indian Made Foreign Liquor)	213888	4455477
Sale of residential units	0	56166500
<b>Total</b>	<b>213888</b>	<b>60621977</b>

**NOTE - 24**  
**OTHER INCOME**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest		
From Bank on Fixed Deposits	2955171	3687246
Others	7162090	5519316
Dividend Income	0	391927
Profit on sale of asset	0	14046
Miscellaneous Receipts	927483	1111771
Prior Period Item Written Back	0	86718
<b>Total</b>	<b>11044744</b>	<b>10811024</b>
<p>#Miscellaneous receipts comprises of maintenance charges, other micellaneous charges recover and forfeited amount due to cancellation of unit by customers.</p>		

**NOTE - 25**  
**COST OF MATERIAL CONSUMED**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
i) Raw Materials	0	341953
ii) Packing Materials	0	699771
<b>Total</b>	<b>0</b>	<b>1041724</b>

**NOTE - 26**  
**COST OF CONSTRUCTION**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost of construction *	0	40817974
<b>Total</b>	<b>0</b>	<b>40817974</b>
* It includes external development charges and internal development charges.		

**NOTE - 27**  
**CHANGES IN INVENTORY OF STOCK IN TRADE**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(Increase) / Decrease in Stock in Trade</b>		
Opening Stock		
Finished Goods	16058441	24234871
Work-in process	733765	1592185
Less : Stock Out Transfer	1860364	523275
Less : Closing Stock		
Finished Goods	1189408	16058441
Work-in process	733765	733765
	13008669	8511575
less - Transfer to Exceptional Items	12865344	0
<b>Total</b>	<b>143325</b>	<b>8511575</b>

**NOTE - 28**  
**EMPLOYEE BENEFIT EXPENSES**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Salaries And Incentives:</b>		
Salary, Wages & Bonus	4233903	6655320
<b>Contributions to:</b>		
Provident Fund & ESIC	156720	134739
Gratuity to LIC	0	116332
Staff Welfare Expenses	2860	13317
<b>Total</b>	<b>4393483</b>	<b>6919708</b>



**NOTE - 29**  
**FINANCE COSTS**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses	5852364	4288667
Other Borrowing Cost	60180	54870
<b>Total</b>	<b>5912544</b>	<b>4343537</b>

**NOTE - 30**  
**OTHER EXPENSES**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>a) Manufacturing Expense</b>		
Bottling Charges	0	42593
Bottling Fees	0	121946
Factory Expenses	4600	0
Labour Charges	47250	0
Insurance Charges	155605	42222
Label Registration Fees	412500	1485000
Power & Water charges	612381	564984
Testing Fees/ Development Charges	27612	2550
Transport Fee	1000	43739
<b>Total (a)</b>	<b>1260948</b>	<b>2303034</b>
<b>b) Selling &amp; Distribution Expenses</b>		
Breakage/ Demurrage charges	155000	133427
Freight Onwards	16800	0
Freight Inwards	154356	66141
Freight, Loading & Unloading charges	13434	207848
Management Fee	0	132290
<b>Total (b)</b>	<b>339590</b>	<b>539706</b>
<b>c) Administrative &amp; General Expenses</b>		
Advertisement	60190	49392
Allowance for expected credit loss	3352603	1239710
Auditors Remuneration (Note 31 (B) (4))	450000	450000
Bank Charges	23987	30848
Brokerage fees	0	1198500
Custodian Fees	21240	14714
Electricity Charges	98603	87760
Interest and damages Charges	42183	43402
Lease Rent	232	232
Licence & Fees	1786878	1774763
Listing Fees	354000	295000
Maintenance Charges	133053	150009
Miscellaneous expenses (APT)	381660	517991
Net loss on sale of investments**	0	16197533
Office Expenses	3644	11360
Postage & Telephone Expenses	25660	47497
Printing & Stationery	55295	56024
Professional Charges	2946585	3824814
Rates, taxes and duties	1657028	31884
Provision for loss in share of partnership firm	10248	0
Rent	468500	892800
Water Expenses	960000	0
Repair and maintenance expenses	332405	240000
Site expenses	0	567287
Sundry balance Written back - [Net]	0	107449
Telecommunication and technology expenses	26688	47229
Travelling and marketing expenses	219986	268571
<b>Total (c)</b>	<b>13410668</b>	<b>28144769</b>
<b>Total (a+b+c)</b>	<b>15011206</b>	<b>30987509</b>

**NOTE - 31**  
**EXCEPTIONAL ITEM**

(Amount in `)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(Loss) on sale of fixed assets	0	404531
Cost of Material Consumed		
Raw Materials (including Consumables)	104408	0
Packing Materials	5764157	0
Changes in Inventories of Stock in Trade	12865344	0
Sundry Balances Written Off (net)	2509954	0
<b>Total</b>	<b>21243863</b>	<b>404531</b>

**32. SIGNIFICANT ACCOUNTING POLICIES & ADDITIONAL NOTES TO ACCOUNTS FORMING AN INTERGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. COMPANY BACKGROUND**

Silver Oak (India) Limited (the 'Company') is a domestic public limited Company having its Registered office situated at Plot No. 110, Sector-I, Industrial Area, Pithampur, Dhar Madhya Pradesh – 454775. Company is listed at Bombay Stock Exchange Limited (BSE). The company is engaged in the business of manufacturing of Indian Made Foreign Liquor.

**2. Basis for preparation of Financial Statements**

The accounts have been prepared in accordance with IND AS to the extent applicable to the Company, and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in revised Schedule – III to the Companies Act, 2013.

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except as stated elsewhere in these financial statements and except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

**3. Basis of Consolidation**

The Consolidated Financial Statements comprises the financial statements of Silver Oak (India) Limited (The Company) and its subsidiary APT Infrastructure Pvt. Ltd.

**Principles of Consolidation**

The Consolidated Financial Statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses in accordance with the requirements of Ind AS 110 "Consolidated Financial Statements". The intra group balances and intra group transactions have been fully eliminated.
- b) Minority Interest in the net assets of subsidiary company the aggregate of the amount of equity attributable to Minority shareholders as on the dates on which

investments are made by the company in the subsidiary company and minority share in the equity subsequent to acquisition.

- c) The Consolidated Financial Statements is comprised of the Audited Financial Statements of the Company and its subsidiary for the year ended 31<sup>st</sup> March 2020, which are as under:

Name of the Company	Country of Incorporation	Direct Holding %	
		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
APT Infrastructure Pvt. Ltd.	India	60%	60%

#### **4. Current/ Non-Current Classification**

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

#### **5. Use of Estimates and Judgments**

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialized.

#### **6. Property, Plant and Equipment**

##### Measurement and recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost.

Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any.

### Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as per the provisions of Schedule II of the Companies Act 2013.

## **7. Impairment**

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been in place had there been no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss, taking into account the normal depreciation/amortization.

## **8. Revenue**

- a. Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold. Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers.
  - i. Revenue from the sale of goods is recognised when the control of the goods has been passed to the customer as per the terms of agreement and there is no continuing effective control or managerial involvement with the goods.
  - ii. Other operational revenue represents income earned from the activities incidental to the business and is recognized when the performance obligation is

satisfied and right to receive the income is established as per the terms of the contract.

- b. Interest income is recognized on accrual basis using the effective interest method.
- c. Dividend income is recognised in profit or loss on the date on which the company's right to receive payment is established.
- d. Revenue from real-estate projects:

The Company's subsidiary derives revenue primarily from business of construction, development and sale of residential projects.

The subsidiary company adopted Ind AS 115, Revenue from Contracts with Customers, on 1st April 2019. As per Ind AS 115, the subsidiary company recognises revenue from constructed properties at the point in time when control is transferred to customer. To determine the point in time at which revenue is recognised, the subsidiary company assesses carefully on a collective basis five indicators, namely; the developer has a present right for payment for the property (e.g., a flat in a building), the developer has transferred legal title of the flat, the developer has transferred physical possession of the flat to the customer, the developer has transferred the significant risks and rewards of ownership of the flat to the customer and the customer has accepted the flat.

#### **9. Cost of construction & development charges**

Cost of construction includes cost of land (including cost of development rights/land under agreements to purchase), cost of development rights, construction and development cost, construction materials, which is charged to the statement of profit and loss based on the percentage of completion method as explained in accounting policy for revenue from real estate projects above and internal development costs, external development charges, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

#### **10. Inventory**

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. The cost in respect of the various items of inventory is arrived at 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.

## **11. Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

## **12. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

### **a. Financial Assets**

#### **Classification:**

The Company shall classify financial assets and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### **Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

**Fair value through profit or loss:**

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in Statement of Profit and Loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

**Fair value through other comprehensive income:**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through FVOCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

**Amortized Cost:**

Assets that are held for contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is recognized using the effective interest rate method.

**Interest income:**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

**Equity instruments:**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Ind AS 109 requires all investments in equity instruments and contracts on those instruments to be measured at fair value.

The Company subsequently measures all quoted equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification for fair value gains and losses to profit or loss following the de-recognition of the investment.

The Company subsequently measures all un-quoted equity investments at cost based on the requirements of Ind AS 109, where in some limited circumstances cost is a more

appropriate estimate of fair value, that may be the case if insufficient more recent information is available to measure the fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of the fair value within that range.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/ loss on fair value changes in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVTPL are included in the Statement of Profit and Loss.

#### **Debt instruments:**

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables. Based on the factors, the Company classifies its debt instruments into one of the above three measurement categories.

#### **De-recognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- c. When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.
- d. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

#### **Impairment of financial assets:**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. **Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance:**



The Company follows general approach for recognition of impairment loss allowance for financial assets other than trade receivables. In general approach, the financial asset is divided into 3 stages and the amount of ECL is recognized depending on the stage of the financial asset into consideration.

The loss under this approach is either based on the 12 months ECL or lifetime ECL. All financial assets falling in stage 1 is performing and requires 12 months ECL, whereas financial assets in stage 2 where the credit risk has increased significantly post recognition or financial assets in stage 3 which are credit impaired a lifetime ECL is required.

**b. Trade receivables:**

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**c. Financial Liabilities**

**Classification:**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised costs.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

**De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and when the company has a legally enforceable right to set off the amount and it intends either to settle them on net basis or to realize the asset and settle the liability simultaneously.

**Derivative financial instruments**

The company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### **13. Cash and cash equivalents**

Cash and cash Equivalents in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three or less month, which are subject to an insignificant risk of changes in value.

### **14. Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **15. Earnings per share**

#### **a. Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners if the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year, if any and excluding treasury shares.

#### **b. Diluted earnings per share**

Diluted earnings per share adjusted the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **16. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### **17. Income Taxes**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the reporting period as per the applicable provisions of the Income Tax Act 1961.

#### Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

The carrying amount of deferred tax assets is reviewed at the end of each reporting

period and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

#### **18. Provisions and Contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

#### **19. Employee Benefits**

##### **i) Short Term Employee Benefits**

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

##### **i) Long Term Employee Benefits**

a. Retirement benefits in the form of defined contribution plans including gratuity liability under Payment of Gratuity Act are paid & charged to the Statement of Profit and Loss for the year when contributions to the respective Funds are due, in such cases the actuarial risk and the investment risk are borne by the respective funds.

b. Retirement benefits in the form of defined benefit plan are recognised using Projected Unit Credit Method where Current service cost, Past service cost and net interest Expense/Income is recognised in the statement of profit and loss and Gain/Loss due to actuarial risk and investment risk is charged to the other comprehensive income.

#### **20. Borrowing Cost**

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

**B. ADDITIONAL NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31<sup>st</sup>, 2020**

1 Notes 1 to 31 referred herein above forms an integral part of these Consolidated Financial Statements.

- 2 (I) CONTINGENT LIABILITIES: (of subsidiary)  
a) Demand raised by Haryana VAT Department amounting to ` 5180764 (net payable after adjustment of refund ` 589813)  
b) A claim of approximately `50 lakhs by a supplier against the Company.  
(II) COMMITMENTS: NIL

3 As per Ind AS 32 the long-term investments held by the subsidiary company are to be carried at cost. All the investments of the Company have been considered by the management to be of long-term nature.

**4 AUDITOR'S REMUNERATION:**

Particulars	2019-2020	2018-2019
Statutory Audit Fees	390000	390000
Tax Audit Fees	50000	50000
Certification and other charges	10000	10000
Total	450000	450000

**5 DEFERRED TAX ASSETS AS PER IND AS – 12**

In view of accumulated losses and uncertainty of its realization in the near future the deferred tax asset has not been adjusted against the loss of ` 35410522/- by the company as a matter of prudence.

**6 BASIC AND DILUTED EPS:**

Particulars	2019-2020	2018-2019
Net Profit/(Loss) attributable to equity shareholders	-37449923	-23362111
Number of equity shares issued (basic)	3790200	3790200
Number of equity shares issued (weighted)	3790200	3790200
Basic and Diluted earnings per share	-9.88	-6.16

7 As per collaboration agreement between the subsidiary promoter group (i.e. SVR Realtors Pvt. Ltd. and Ridhi Investment Pvt. Ltd.) and original owners of land, 16.13% of total project area pertains to original owners. As per the shareholders agreement, the Subsidiary Promoter Group jointly and severally undertakes to bring in all amounts/funds progressively in the Subsidiary Company as shall be required by the Subsidiary Company for the entire construction and development of an area of around 1,75,000 square feet and other construction related direct costs in respect thereof ("Owners' Share Expenses"). The balance amount receivable from SVR Realtors Pvt. Ltd. is ` 13670552 (P.Y. ` 13814062).

**8 RELATED PARTY TRANSACTION AS PER IND AS – 24**

I. Name of Related Party

A Holding Company: Royal Highland Distilleries Ltd (59.83%)

**B Associate Companies of Subsidiary:**

i) SVR Realtors Private Limited (37.70)

ii) ROCOCO Mining Technologies Private Limited (48.90)

**C Key Managerial Personnel:**

- Leela Kalyani, (Director)
- Shirish Jaltare, (Whole Time Director)
- Suresh Kejriwal (Director)
- Prakash Gadia (Director)
- Sunil Khandelwal (Chief Financial Officer)
- Deepak Meena (Company Secretary)
- Shahbez Khan, (Director of Subsidiary)
- Amit Kumar, (Director of Subsidiary)
- Rachna Kedia, (Director of Subsidiary)

**D Relatives of Key Managerial Personnel:**

- Saba Khan (wife of Shahzeb Khan, Director of Subsidiary)

II. Transactions with Related Parties:

Key Managerial Personnel:

(Amount in `)

Name of Party	Nature of Transaction	Amount
Royal Highland Distilleries Ltd (Holding Company of Silver Oak India Limited)	Loan Taken	26000000
	Interest Accrued	3067964
Key Managerial Personnel of Subsidiary	Director's Sitting Fees	88500
	Out of Pocket Expenses	44250

Relatives of Managerial Personnel:

(Amount in `)

Name	Nature of Payment	Amount
Saba Khan	Consultancy Fees	240000 (P.Y. 240000)

Transactions with enterprise which exercise significant influence/associate company:

(Amount in `)

SVR Realtors Private Limited	Year ended 31 <sup>st</sup> March 2020
Transfer of advance received from customers	14096051

- 9 The inventories amounting to `7886121 (Previous Year - `26654455/-) is shown at cost instead of valuation at cost or net realizable value whichever is lower. (As per Ind AS 2). Ascertainment of net realizable value requires technical judgments and *consideration* of market related factors. The impact of diminution in the valuation thereof, if any, will be accounted for in the year of consumption/realization.
- 10 Balance of Trade Receivables, Trade Payables, Trade Deposit, Loans and Advances and others are subject to respective consent, confirmation, reconciliation and consequent adjustment, if any.
- 11 No provisions against the doubtful advances of ` 3000000/- (Previous Year - ` 7510000/-) has been made as there are chances of recovery thereof.
- 12 There were no dues outstanding for more than 45 days to any micro, small and medium enterprises creditors. The aforesaid information has been arrived at to the extent such communication has been received from the respective parties by the company.
- 13 Expenditure & Earning in foreign currency ` Nil (Previous Year ` Nil.)
- 14 Pursuant to Ind AS 112 – 'Disclosure of Interests in Other Entities' the interest of the Company in its subsidiary is as follows:  
The Company is Holding Company of APT Infrastructure Private Limited (CIN: U45400DL2007PTC170319) with 60% (i.e. 600000 shares) stake, thereby making the same as its subsidiary. The relevant consolidated Ind AS financial statements are separately prepared.  
The Company holds 7000, 0% Compulsory Convertible Debentures (Series II) of its subsidiary APT Infrastructure Private Limited at a price of Rs. 5000/- each which is compulsorily convertible in equity share at the end of 60 months i.e. 8 June 2020, which is extended for further term of 5 years.
- 15 Risk Management:  
The Company has not started any significant commercial operations and therefore the company does not envisage any market risk, currency risk, interest rate risk, price risk, liquidity risk and credit risk. The Company's senior management in consultation with audit committee has the responsibility for establishing and governing the Company's overall risk management framework, wherever applicable.
- 16 **Events after reporting date:** There have been no events after the reporting date that require adjustment/ disclosure in these financial statements.
- 17 Section 135 of the Companies Act, 2013, related to corporate social responsibility (CSR) is not applicable to the company.
- 18 According to IND AS - 7 the desired Cash flow statement is enclosed herewith.
- 19 **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**  
During the year ended 31 March 2020, the management of APT Infrastructure Private Limited (herein the subsidiary company) undertook a detailed review of its financial statements and observed that interest on fixed

deposits with bank and accrued interest on fixed deposits with bank had not been properly accounted for in previous financial statements due to oversight. This is a prior period error. Due to this error, interest income from fixed deposits with bank for the year ended March 31, 2019, and accrued interest from fixed deposits with bank as at March 31, 2019, were overstated by ` 8,32,741/- each. The error also impacted provision for tax for the year ended March 31, 2019 which due to above error was computed more by ` 1,55,223/-. Due to above error, the profit for the year ended 31 March 2019 was overstated by ` 6,77,518/-.

20 Particulars of Loans, Guarantees or Investments [Pursuant to Section 186 of the Companies Act, 2013]

a During the year under consideration, the Company has made following investments for purpose of business:-

Particulars	% of ownership interest	Investment amount	Place of Business
<b>Investment in partnership firm</b>			
Trinesh Infra LLP	33.33%	6,000,000	India

b During the year under consideration, the Company has given following loans to body corporates:

- i Trinesh Infra LLP, amounting to ` 4,00,00,000/- (previous year: Nil), for the purpose of business, maximum amount outstanding during the year being ` 4,00,00,000/-, and amount outstanding at the year end being ` 4,00,00,000/-.
- ii Brewforce Technologies, amounting to ` 60,00,000/- (previous year: Nil), for the purpose of business, maximum amount outstanding during the year being ` 60,00,000/-, and amount outstanding at the year end being ` 60,00,000/-.

21 Additional information as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiaries:

For the year ended 31st March 2020:

Name of the entity in the Group	Net assets, i.e, total assets minus total		Share in profit/ (loss)		Share in other comprehensive		Share in total comprehensive	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Silver Oak India Limited	-4.23%	-8624239	93.43%	-34988038	0	0	93.43%	-34988038
<b>Subsidiary</b>								
<b>Indian</b>								
APT Infrastructure Private Limited	104.23%	212547316	6.57%	-2461886	0	0	6.57%	-2461886
<b>Total</b>	<b>100.00%</b>	<b>203923077</b>	<b>100.00%</b>	<b>-37449923</b>	<b>0</b>	<b>0</b>	<b>100.00%</b>	<b>-37449923</b>

For the year ended 31st March 2019:

Name of the entity in the Group	Net assets, i.e, total assets minus total		Share in profit/ (loss)		Share in other comprehensive		Share in total comprehensive	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Silver Oak India Limited	10.92%	26363798	83.50%	-19508356	0	0	83.50%	-19508356
<b>Subsidiary</b>								
<b>Indian</b>								
APT Infrastructure Private Limited	89.08%	215015240	16.50%	-3853755	0	0	16.50%	-3853755
<b>Total</b>	<b>100.00%</b>	<b>241379038</b>	<b>100.00%</b>	<b>-23362111</b>	<b>0</b>	<b>0</b>	<b>100.00%</b>	<b>-23362111</b>

22 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

23 Figures are rounded off to the nearest multiple of ` (Rupee).

**Shirish Jaltare**  
Whole Time Director  
(DIN: 00070935)

**Leela Kalyani**  
Director  
(DIN: 06625369)

**Sunil Khandelwal**  
Chief Financial Officer

**Deepak Meena**  
COMPANY SECRETARY  
(FCS: A41823)

**PLACE: INDORE**  
**DATE:25.07.2020**

**As Per our report of even date attached**  
**STATUTORY AUDITORS**  
**For MAHENDRA BADJATYA & CO**  
**CHARTERED ACCOUNTANTS**  
**ICAI FRN 001457C**

**CA M.K. BADJATYA/**  
**PARTNER**  
**ICAI MNO 070578**  
**ICAI UDIN 20070578AAAAAL8677**