

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **TWENTY SIXTH ANNUAL REPORT 2009-2010**

#### **BOARD OF DIRECTORS**

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

#### **AUDITORS**

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

#### **REGISTERED OFFICE**

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

#### **INDORE OFFICE**

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

#### **BANKERS**

State Bank of Travancore,  
Palasia Branch,  
Indore

### **SILVER OAK (INDIA) LIMITED**

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

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **NOTICE**

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Thursday, 30th day of September, 2010 at 11.00 A.M. at the Registered Office of the Company at Plot No.110, Industrial Area, Sector-I, Pithampur, Dist. Dhar (M.P.) to transact the following businesses:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajeev Dhodhy, director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To reappoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration as decided by the Board of Directors.

#### **SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to provisions of Article of Association of the Company and Sections, 198,269,309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed. Mr. Bhupendra Singh be and is hereby appointed as the Whole Time Director of the company for a period of five years with effect from 2<sup>nd</sup> September on the terms and conditions hereinafter mentioned.

RESOLVED FURTHER THAT Mr. Rajeev Dhody, Executive Director and any other authorized person of the Company be and are hereby authorized jointly and/or severally to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

(a) Basic Salary (Rs.15,000 per month)

#### **CATEGORY 'A'**

- (i) Medical Reimbursement: As per actual expense incurred
- (ii) Hospitality: As per actual expenses incurred.
- (iii) Leave Travel Concession: For him and his family in accordance with any rules specified by the Company.
- (iv) Club Fees: Subject to two clubs which will not include admission and life membership fee.
- (v) Personal accident Insurance: As per actual premium paid.
- (vi) Reimbursement of Expenses: Actual incurred on Credit Card, Cell Phone.

#### **CATEGORY 'B'**

Encashment of leave at the end of tenure will not be included in the computation of the ceiling of on perquisites.

By Order of the Board of Directors

Rajeev Dhody  
Executive Director

Pithampur(M.P.)  
2<sup>nd</sup> September, 2010

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 27th September, 2010 to Thursday, 30th September, 2010 (Both days inclusive.)
4. Members are requested to bring their copies of the Annual Report and attendance slips at the meeting.
5. Members are requested to:
  - a) quote their folio number(s) in all correspondence with the Company.
  - b) notify the Company, change, if any, in their registered addresses along with pin code numbers.
6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of their Folios.
7. 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.
8. Shareholders seeking any information with regard to accounts are requested to write to the Company at the earliest so as to enable the management to keep the information ready.

### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

#### **ITEM NO.4:**

Mr. Bhupendra Singh was appointed as an Whole-Time director of the Company for the period of five years w.e.f. 2<sup>nd</sup> September, 2010 by the Board at its meeting held on 2<sup>nd</sup> September, 2010 subject to approval of shareholders at the General Meeting and subject to the approval of Central Government. In view of his valuable experience and expertise, your director feels that it will be in the Company's interest and benefit to have his association and gain from his wise counsel.

In terms of Section 269 of the Companies Act, 1956 any appointment or re-appointment in accordance with Schedule XIII requires the approval of Shareholders at the General Meeting.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of annual general meeting.

None of the directors except Mr. Bhupendra Singh is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

The proposed resolution as set out in item no.4 and this explanatory statement may be treated as an abstract of the terms and conditions of the remuneration of Mr. Bhupendra Singh, Whole-time director of the company in terms of Section 302 of the Companies Act, 1956.

**By Order of the Board of Directors**

**Rajeev Dhody**  
**Executive Director**

Pithampur(M.P.)  
2<sup>nd</sup> September, 2010

## SILVER OAK (INDIA) LIMITED 2009-2010

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 26st Annual Report, together with Audited Accounts of the Company for the year ended 31st March, 2010.

#### FINANCIAL RESULTS:

|  | 31st March<br>2009-10 | (Rs.in Lacs)<br>31st March<br>2008-09 |
|--|-----------------------|---------------------------------------|
| Sales and other Income                         | 726.45                | 410.88                                |
| Profit/(Loss) before Depreciation              | 43.20                 | 32.07                                 |
| Interest                                       | 4.99                  | 6.91                                  |
| Depreciation                                   | 7.11                  | 6.35                                  |
| Profit/(Loss) before Tax                       | 36.08                 | 25.72                                 |
| Less : Provision for Taxes                     | 14.28                 | 10.82                                 |
| Net Profit/(Loss) for the year                 | 21.80                 | 14.90                                 |
| Profit/Loss brought forward from previous year | (68.09)               | (82.99)                               |
| Balance carried to Balance Sheet               | (46.29)               | (68.09)                               |

#### DIVIDEND:

The Company has earned a Net Profit of Rs. 21.80 Lacs during the Financial Year 2009-10 but in view of the carry forwarded losses your directors have decided not to recommend any dividend for the year ended 31<sup>st</sup> March, 2010.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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.

#### OPERATIONS:

The Year 2009-10 was for making strong foundations to offset the global economic setback. The efforts of the company were to optimize the existing production capacity and to reduce the cost of production so as to increase the profitability. During the year under review the Company achieved higher turnover of Rs. 725.87 Lacs as compared to Rs. 408.87 Lacs in the previous year. The Company closed its accounting year with a Net profit of Rs. 21.80 Lacs as compared to 14.90 in the previous year.

#### FUTURE PROSPECTS:

The demand for the Indian Made foreign liquor had witnessed an upward trend during the year has created pressure on the Supply of IMFL, thus the company increased its production from the 111264 cases during 2008-09 to 172573 cases in 2009-10 and achieved higher capacity utilization and better management of the available finances thus increasing the overall profitability of the business.

The company plans to increase the production base once existing facilities are utilized optimally for the future.

#### DIRECTORS:

Shri Rajeev Dhodhy, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

## **SILVER OAK (INDIA) LIMITED 2009-2010**

Shri Bhupender Singh, Director of the Company, has been appointed as Whole Time Director of the Company in the board meeting held on 2<sup>nd</sup> September, 2010.

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

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, your Directors state that:-

1. that in preparation of annual accounts the applicable Accounting Standards have been followed along with proper explanation relating to material departure there from.
2. that they had 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 and loss of the Company for that period.
3. that they had taken proper and sufficient care of maintenance of adequate accounting records so as to safeguard the Company's assets and to detect fraud and irregularities,
4. that they had prepared the annual accounts on a going concern basis.

### **FIXED DEPOSITS:**

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

### **PARTICULARS OF EMPLOYEE:**

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

### **AUDITORS:**

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

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

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

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

### **LISTING OF EQUITY SHARES ON STOCK EXCHANGES:**

The Directors of the company take the pleasure to inform that the suspension imposed by the Bombay Stock Exchange on the trading of the share has been revoked and the companies shares are being traded on the BOLT platform of BSE from 4<sup>th</sup> Aug 2010.

### **CORPORATE GOVERNANCE:**

The Company voluntary chooses to comply all the requirements for the best practices in the management and operations.

The company circulates necessary documents, results and reports as required under the Listing agreements.

### **ACKNOWLEDGEMENT:**

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

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

**By Order of the Board of Directors**

**Director**

**Director**

Pithampur(M.P.)

2<sup>nd</sup> September, 2010

## SILVER OAK (INDIA) LIMITED 2009-2010

### ANNEXURE-A

Information under Section 217(1)(e) read Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors Report for the year ended 31st March, 2010.

#### FORM "A"

#### CONSERVATION OF ENERGY:

##### A. Electricity Consumption:

| 1. Electricity                       | Current Year<br>2009-2010 | Previous Year<br>2008-2009 |
|--------------------------------------|---------------------------|----------------------------|
| (a) PURCHASED:                       |                           |                            |
| (i) Units Purchased :                | 89882                     | 97584                      |
| (ii) Total Amount (Rs.) :            | 534032                    | 578509                     |
| (iii) Power cost per unit (Rs.) :    | 5.94                      | 5.93                       |
| (b) OWN GENERATION:                  | NIL                       | NIL                        |
| Through D.G. Set                     |                           |                            |
| (i) Production in Cases :            | 172573                    | 111264                     |
| (ii) Units consumption per case :    | 0.52                      | 0.88                       |
| (iii) Cost of power per case (Rs.) : | 3.09                      | 5.20                       |

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

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

##### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

By Order of the Board of Director

Pithampur(M.P.)  
2nd September 2010

Director Director

## SILVER OAK (INDIA) LIMITED 2009-2010

### CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2009-10 “ANNEXURE-B”

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

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

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

#### 2. Board of Directors:

As on 31st March, 2010 the Board comprised of Four Directors, two of whom are Executive and remaining two are Independent Directors (NED). The Board constitutes 50% of the Directors who are Non Executive Directors.

Table 1

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

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

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

^ ^ Shri Sanjeev Dhody and Shri Joginder Singh have resigned from the Company w.e.f. 04.05.2009

#### 3. Board Procedure:

Board Meetings:

During the financial year 2009-10 the Board of Directors met 6 (Six) times viz. 30.04.2009, 04.05.2009, 27.07.2009, 05.09.2009, 26.10.2009 and 30.01.2010. The maximum gap between any two meetings was not more than three months.

The details of the Board meetings held during the financial year 2009-10 are given below:

| Directors                | Number of Board Meeting held | Number of Board Meetings Attended | Attendance Last AGM |
|--------------------------|------------------------------|-----------------------------------|---------------------|
| Shri Rajeev Dhody        | 6                            | 6                                 | Yes                 |
| Shri Bhupendra Singh     | 6                            | 6                                 | Yes                 |
| Shri Santosh Kumar Singh | 6                            | 3                                 | Yes                 |
| Shri Chanchal Rai        | 6                            | 6                                 | Yes                 |
| Shri Sanjeev Dhody       | 6                            | 1                                 | Yes                 |
| Shri Joginder Singh      | 6                            | 1                                 | Yes                 |

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **4. BOARD COMMITTEES:**

#### **a. Audit Committee:**

##### **ii. Terms of Reference**

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

##### **ii. Composition, Name of Members and Chairman**

The Audit Committee consists of three directors in which all are independent Directors. During the financial year ended 31.03.2010 Five Meetings were held on 30.04.2009, 27.07.2009, 05.09.2009, 26.10.2009 and 30.01.2010. The composition of the audit committee and the attendance of each director at these meetings are given below:

| <b>Name of the Director</b> | <b>Number of Meetings attended</b> |
|-----------------------------|------------------------------------|
| Shri Chanchal Rai           | 5                                  |
| Shri Santosh Kumar Singh    | 3                                  |
| Shri Bhupendra Singh        | 5                                  |
| Shri Joginder Singh         | 1                                  |
| Shri Sanjeev Dhody          | 1                                  |

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

#### **b. Shareholders Committee/Investor Grievances Committee:**

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

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

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

| <b>Name of the Director</b> | <b>Number of Meetings attended</b> |
|-----------------------------|------------------------------------|
| Shri Chanchal Rai           | 4                                  |
| Shri Santosh Kumar Singh    | 2                                  |
| Shri Bhupendra Singh        | 4                                  |
| Shri Joginder Singh         | 1                                  |
| Shri Sanjeev Dhody          | 1                                  |

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

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

There were periodical meetings of the Committee. There were no shareholder's complaints received during the year 2009-10 and have left unattended at the end of the year.

#### **C. Remuneration Committee:**

The members of the Remuneration Committee are:

| <b>Name of the Director</b> | <b>Number of Meetings attended</b> |
|-----------------------------|------------------------------------|
| Shri Chanchal Rai           | 4                                  |
| Shri Santosh Kumar Singh    | 2                                  |
| Shri Bhupendra Singh        | 4                                  |
| Shri Joginder Singh         | 1                                  |
| Shri Sanjeev Dhody          | 1                                  |



## SILVER OAK (INDIA) LIMITED 2009-2010

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

During the year under review, four meetings of the Committee were held.

### 5. ANNUAL GENERAL MEETINGS:

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

| Year      | Date                             | Location of Meeting | No. of Special Resolution(s) |
|-----------|----------------------------------|---------------------|------------------------------|
| 2008-2009 | 30th September 2009              | Regd Office         | 1                            |
| 2007-2008 | 30th September, 2008             | Regd Office         | 1                            |
| 2006-2007 | 29 <sup>th</sup> September, 2007 | Regd Office         | 0                            |

### 6. DISCLOSURES:

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

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

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

### 7. MEANS OF COMMUNICATION:

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

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

### 8. GENERAL SHAREHOLDER INFORMATION

- (a) Annual General Meeting : Thursday, 30th September, 2010  
Day, date, time & Venue : at 11.00 a.m. at Regd. Office at Plot no. 110, Sector - I, Indst. Area, Pithampur, Dist. Dhar(M.P.)
- (b) Book Date :  
Book Closure Date for : Monday, 27<sup>th</sup> September, 2010  
Annual General Meeting : to Thursday, 30th September, 2010  
(Both days inclusive).
- (c) Listing on Stock Exchanges :  
1.The Stock Exchange, Mumbai.  
2.The M.P Stock Exchange, Indore.  
3.The Delhi Stock Exchange Association, Delhi.  
4.The Madras Stock Exchange Ltd., Chennai.  
5.The Ahmedabad Stock Exchange, Ahmedabad.
- (d) Stock Code:  
for BSE : 531635  
Demat ISIN Number : INE870J01019
- (f) Market Price Data :  
Month The Stock Exchange, Mumbai(BSE)  
Month's High :  
Price :  
Month's Low :  
Price :  
(No Trading during the year)
- (e) Registrar and Transfer Agents : M/s Ankit Consultancy Private Limited  
202, Alankar Chamber, A. B. Road,  
Indore-452 001

## **SILVER OAK (INDIA) LIMITED 2009-2010**

(f) Share Transfer System:

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

g) Registered Office & Plant Location : Plot No.110, Sector-I,Industrial Area,  
Pithampur,Dist.Dhar(M.P)

(h) Dedicated Email ID for the Investor:

For the convenience of our investor, the company has designated an exclusive email id for investor i.e. [silveroak\\_indore@hotmail.com](mailto:silveroak_indore@hotmail.com)

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

**By Order of the Board of Directors**

**Director**

**Director**

Pithampur(M.P.)  
2<sup>nd</sup> September, 2010

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **CERTIFICATE ON CORPORATE GOVERNANCE CERTIFICATE**

I have reviewed the financial results and the cash flow statement of Silver Oak (India) Limited ('the Company') for the financial year ended 31<sup>st</sup> March, 2010, and certify that:

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

For Silver Oak (India) Limited

Rajeev Dhody  
Executive Director

2<sup>nd</sup> September, 2010

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### **ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010, DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT**

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

For Silver Oak (India) Limited

Rajeev Dhody  
Executive Director

2<sup>nd</sup> September, 2010

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **AUDITOR'S CERTIFICATE**

The Members of  
Silver Oak (India) Limited,  
INDORE

We have examined the compliance of conditions of corporate governance procedure implemented by Silver Oak (India) Limited for the year ended 31st March, 2010 as stipulated in clause 49 of Listing agreement of the said Company with the Stock Exchange in India.

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

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

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

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

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

(Sameep Gandhi)  
PARTNER  
M. NO. 411107

PLACE : INDORE

DATE : 2nd September 2010

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **AUDITOR'S REPORT**

The Members of  
Silver Oak (India) Limited,  
INDORE

We have audited the attached Balance Sheet of Silver Oak (India) Limited, Indore as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

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

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

- (A) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (B) In our opinion , proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
- (C) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
- (D) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
- (E) On the basis of written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (F) As Stated in note no. 18 of Schedule no. 20 Sundry debtors includes old out standing agreegating Rs. 1,65,370.00 for which no provision has been made in the accounts . For the reasons stated there in. The company is of the opinion that amounts are fully recoverable.

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

- (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and
- (ii) In the Profit and Loss account of the profit of the Company for the year ended on that date.
- (iii) In the case of the Cash Flow Statement of the cash flow for the year ended on that date.

PLACE : INDORE  
DATE : 2<sup>nd</sup> September 2010

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

(Sameep Gandhi)  
PARTNER  
M.No. 411107

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 1 thereof)

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The Fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.  
(c) None of the substantial part of fixed assets has been disposed off during the year.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured to / from companies, firms or parties covered in the register maintained under section 301 of the Companies Act , 1956.  
(b) The company has taken loan secured or unsecured from one party covered in the register maintained under section 301 of the companies Act, 1956 and the maximum amount outstanding during the year is 31,19,720.00
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, these transactions have been made at prices, which are reasonable having regard to prevailing market price at the relevant time.
6. The company has not accepted any deposit from the public and hence directives issued by the reserve bank of India, the provision of section 58 A and 58 AA of the companies act 1956 and Rules framed there under are not applicable for the year under audit.
7. The company has a system of internal audit which, in our opinion, is commensurate with its size and nature of it business.
8. According to the information and explanations given to us, we are of the opinion that no cost records maintenance has been prescribed by the Central Govt. under Section 209(1) (b) of the Companies Act. 1956.
9. According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, investor education fund, employees state insurance, income tax, wealth tax, custom duty, excise duty, cess and any other statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
10. The company has accumulated losses less than 50% of it's net worth at the end of financial year. The company has not incurred any cash loss in the current financial year and immediately preceding previous this financial year covered by our audit.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution and banks.
12. According to the information and explanations given to us, the company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.

## **SILVER OAK (INDIA) LIMITED 2009-2010**

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

PLACE : INDORE  
DATE : 2nd September, 2010

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

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

## SILVER OAK (INDIA) LIMITED 2009-2010

### BALANCE SHEET AS AT 31st MARCH , 2010

| SCHEDULE   | 31-03-2010                  | 31-03-2009                  |
|--|-----------------------------|-----------------------------|
| <b>[ I ]. SOURCES OF FUNDS</b>                     |                             |                             |
| <b>1. SHARE HOLDER'S FUNDS</b>                     |                             |                             |
| (a) Capital  | 1      24,467,000.00        | 24,467,000.00               |
| (b) Reserve & Surplus                              | 2 <u>7,838,945.45</u>       | <u>7,838,945.45</u>         |
|  | 32,305,945.45               | 32,305,945.45               |
| <b>2. LOAN FUNDS</b>                               |                             |                             |
| (a) Secured Loan                                   | 3      6,132,598.79         | 5,646,580.66                |
| (b) Unsecured Loan                                 | 4 <u>-</u>                  | <u>450,000.00</u>           |
|  | 6,132,598.79                | 6,096,580.66                |
| <b>3. DEFERRED TAX LIABILITY</b>                   | 1,398,975.77                | 520,075.00                  |
| TOTAL : Rs.  | <u><b>39,837,520.01</b></u> | <u><b>38,922,601.11</b></u> |
| <b>[ II ]. APPLICATION OF FUNDS</b>                |                             |                             |
| <b>1. FIXED ASSETS</b>                             |                             |                             |
| (a) Gross Block                                    | 5      22,144,935.96        | 19,991,611.96               |
| (b) Less : Depreciation                            | 7,470,830.93                | <u>6,759,482.93</u>         |
| Net Block  | <u>14,674,105.03</u>        | 13,232,129.03               |
|  | 14,674,105.03               | 13,232,129.03               |
| <b>2. INVESTMENTS</b>                              | 6      -                    | 50,000.00                   |
| <b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>     |                             |                             |
| (a) Inventories                                    | 7      15,843,018.00        | 14,426,519.00               |
| (b) Sundry Debtors                                 | 8      13,113,060.00        | 8,745,804.00                |
| (c) Cash and Bank Balance                          | 9      280,350.89           | 365,606.91                  |
| (d) Loans and Advances                             | 10 <u>2,787,448.80</u>      | <u>1,761,303.41</u>         |
|  | 32,023,877.69               | 25,299,233.32               |
| <b>Less : Current Liabilities &amp; Provisions</b> |                             |                             |
| (a) Current Liabilities                            | 11      10,840,942.97       | 5,763,594.24                |
| (b) Provisions                                     | 12 <u>648,884.00</u>        | <u>704,383.00</u>           |
|  | 11,489,826.97               | 6,467,977.24                |
| <b>NET CURRENT ASSETS</b>                          | 20,534,050.72               | 18,831,256.08               |
| <b>5. PROFIT &amp; LOSS ACCOUNT</b>                | 4,629,364.26                | 6,809,216.00                |
| TOTAL Rs.  | <u><b>39,837,520.01</b></u> | <u><b>38,922,601.11</b></u> |
| NOTES ON ACCOUNTS                                  | 20      -                   | -                           |
| ABSTRACTS TO ACCOUNTS                              | 21                          |                             |

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

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

For O. T. GANDHI & COMPANY

CHARTERED ACCOUNTANTS

FRN No. 001120C

**FOR AND ON BEHALF OF THE BOARD**

(Sameep Gandhi)

PARTNER

M. No. 411107

DIRECTOR

DIRECTOR

PLACE : INDORE

DATE : 2nd September 2010



## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2010**

| SCHEDULE  | FOR THE YEAR ENDED |                       | FOR THE YEAR ENDED |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   |                    | 31-03-2010            |                    | 31-03-2009            |
| <b>INCOME</b>                                     |                    |                       |                    |                       |
| Sales   | 13                 | 72,586,891.00         |                    | 40,886,812.00         |
| Other Income                                      | 14                 | 58,085.00             |                    | 201,390.30            |
| Increase ( Decrease ) in Stock                    | 15                 | 1,840,605.00          |                    | 2,558,481.00          |
| <b>TOTAL Rs.</b>                                  |                    | <b>74,485,581.00</b>  |                    | <b>43,646,683.30</b>  |
| <b>EXPENDITURE</b>                                |                    |                       |                    |                       |
| Materials   | 16                 | 34,594,015.35         |                    | 17,188,996.42         |
| Manufacturing, Admn. & Selling Exp.               | 17                 | 32,460,849.26         |                    | 20,657,845.03         |
| Employees Remuneration & Welfare                  | 18                 | 2,477,599.00          |                    | 1,828,152.00          |
| Financial Expenses                                | 19                 | 633,016.88            |                    | 764,174.49            |
| Depreciation                                      |                    | 711,348.00            |                    | 635,246.00            |
| <b>TOTAL Rs.</b>                                  |                    | <b>70,876,828.49</b>  |                    | <b>41,074,413.94</b>  |
| Profit / (Loss) before Taxation                   |                    | 3,608,752.51          |                    | 2,572,269.36          |
| Provision for Taxation                            |                    | 1,428,900.77          |                    | -                     |
| Income Tax  | 550,000.00         |                       |                    | 262,000.00            |
| Deferred Tax                                      | 878,900.77         |                       |                    | 787,628               |
| Frienge Benefit Tax                               | -                  |                       |                    | 33,000                |
| <b>PROFIT / ( LOSS ) AFTER TAXATION</b>           |                    | <b>2,179,851.74</b>   |                    | <b>1,489,641.36</b>   |
| Profit / ( Loss ) for the year                    |                    | 2,179,851.74          |                    | 1,489,641.36          |
| Brought Down from Previous Year                   |                    | (6,809,216.00)        |                    | (8,298,857.36)        |
| <b>PROFIT / ( LOSS ) CARRIED TO BALANCE SHEET</b> |                    | <b>(4,629,364.26)</b> |                    | <b>(6,809,216.00)</b> |
| NOTES ON ACCOUNTS                                 | 20                 |                       |                    |                       |
| ABSTRACT TO ACCOUNTS                              | 21                 |                       |                    |                       |

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

#### **AS PER OUR REPORT OF EVEN DATE ATTACHED**

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

**FOR AND ON BEHALF OF THE BOARD**

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

**DIRECTOR      DIRECTOR**

PLACE : **INDORE**  
DATE : **2nd September 2010**

## **SILVER OAK (INDIA) LIMITED 2009-2010**

| <b>SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010</b>  |                      |                      |
|---|----------------------|----------------------|
| <b>PARTICULARS</b>  | <b>31-03-2010</b>    | <b>31-03-2009</b>    |
| <b>SCHEDULE '1' OF SHARE CAPITAL</b>  |                      |                      |
| <b><u>AUTHORISED</u></b>  |                      |                      |
| 42,50,000 Equity Shares of Rs.10/- Each   | 42,500,000.00        | 42,500,000.00        |
| <b><u>ISSUED</u></b>  |                      |                      |
| 38,60,000 Equity Shares of Rs.10/- each<br>(Previous Year 38,60,000 equity Shares of Rs.10/-each)   | 38,600,000.00        | 38,600,000.00        |
| <b><u>SUBSCRIBED AND PAID-UP CAPITAL</u></b>  |                      |                      |
| 24,46,700 equity shares of Rs.10/- each fully paid up. (Previous year 24,46,700 equity shares of Rs.10/- each).   | 24,467,000.00        | 24,467,000.00        |
| <b>TOTAL Rs.</b>  | <b>24,467,000.00</b> | <b>24,467,000.00</b> |
| <b>SCHEDULE '2' OF RESERVE &amp; SURPLUS</b>  |                      |                      |
| General Reserve   | 1,054,945.45         | 1,054,945.45         |
| Capital Reserve   | 6,784,000.00         | 6,784,000.00         |
| Note : Allotment money forfeited @ Rs.7.50/- per share on 26600 shares and @ Rs.5/- per share on 1316900 shares.  |                      |                      |
| <b>TOTAL Rs.</b>  | <b>7,838,945.45</b>  | <b>7,838,945.45</b>  |
| <b>SCHEDULE '3' OF SECURED LOANS</b>  |                      |                      |
| 1. From State Bank of Travancore, CC Loan   | 4,907,332.47         | 5,069,593.47         |
| 2. From State Bank of Travancore, Car Loan  | 392,516.94           | 576,987.19           |
| 3. From HDFC Bank , Car Loan  | 832,749.38           | -                    |
| <b>TOTAL Rs.</b>  | <b>6,132,598.79</b>  | <b>5,646,580.66</b>  |
| Note :  |                      |                      |
| 1 Secured against Hypothication of all stocks of Raw Material, Packing Material Stock - in - process, Finished Goods and Book Debts and other Current Assets of the Company and are collaterally secured against Equitable Mortgage of the existing land & Building of the Company and Hypothecation of Plant & Machinery and personally Guaranteed by the one of the pramotor of the Company and his family members. |                      |                      |
| 2 Secured against Hypothication of Car  |                      |                      |
| 3 Secured against Hypothication of Car  |                      |                      |
| <b>SCHEDULE '4' OF UNSECURED LOANS</b>  |                      |                      |
| From Directors  |                      | 450,000.00           |
| <b>TOTAL Rs.</b>  | <b>-</b>             | <b>450,000.00</b>    |
| <b>SCHEDULE '6' OF INVESTMENT (AT COST)</b>   |                      |                      |
| <b><u>UNQUOTED</u></b>  |                      |                      |
| National Savings Certificate<br>(5 Certificate of Rs.10000/- each)  | -                    | 50,000.00            |
| <b>TOTAL Rs.</b>  |                      | <b>50,000.00</b>     |

## SCHEDULE "5" OF FIXED ASSETS FOR THE YEAR 2009-2010

(18)

| S. NO. | PARTICULARS             | RATE OF DEPRECIATION | AS ON 01.04.2009 | ADDITIONS    | DEDUCTIONS | TOTAL AS ON 31-03-2010 | VALUE AFTER REVALUATION & ADDITION | DEPRECIATION UPTO 31.03.2009 | DEPRECIATION FOR THE PERIOD | DEDUCTION | DEPRECIATION UPTO 31.03.2010 | NET BLOCK AS ON 31.03.2010 (AFTER REVALUATION) | NET BLOCK AS ON 31.03.2009 (AFTER REVALUATION) |
|--------|-------------------------|----------------------|------------------|--------------|------------|------------------------|------------------------------------|------------------------------|-----------------------------|-----------|------------------------------|--|--|
| 1      | LAND                    | 0.00 %               | 41,503.75        | -            | -          | 41,503.75              | 363,938.00                         | -                            | -                           | -         | -                            | 363,938.00                                     | 363,938.00                                     |
| 2      | FACTORY BUILDING        | 3.34 %               | 4,841,134.01     | -            | -          | 4,841,134.01           | 6,906,473.40                       | 2,269,183.42                 | 161,694.00                  | -         | 2,430,877.42                 | 4,475,595.98                                   | 4,637,289.98                                   |
| 3      | WELL                    | 1.63 %               | 33,694.50        | -            | -          | 33,694.50              | 52,746.10                          | 11,556.98                    | 549.00                      | -         | 12,105.98                    | 40,640.12                                      | 41,189.12                                      |
| 4      | PLANT & MACHINERY       | 4.75 %               | 7,771,997.66     | 934,211.00   | -          | 8,706,208.66           | 11,581,097.13                      | 3,903,358.70                 | 374,608.00                  | -         | 4,277,966.70                 | 7,303,130.43                                   | 6,743,527.43                                   |
| 5      | ELECTRIC INSTALLATION   | 4.75 %               | 107,987.60       | -            | -          | 107,987.60             | 253,355.23                         | 88,634.93                    | 5,129.00                    | -         | 93,763.93                    | 159,591.30                                     | 164,720.30                                     |
| 6      | LABORATORY EQUIPMENTS   | 4.75 %               | 28,685.20        | -            | -          | 28,685.20              | 28,685.20                          | 24,742.85                    | 1,363.00                    | -         | 26,105.85                    | 2,579.35                                       | 3,942.35                                       |
| 7      | FURNITURE & FIXTURES    | 6.33 %               | 273,405.00       | 10,500.00    | -          | 283,905.00             | 283,905.00                         | 181,522.00                   | 17,753.00                   | -         | 199,275.00                   | 84,630.00                                      | 91,883.00                                      |
| 8      | FIRE EXTINGUISHERS      | 4.75 %               | 19,550.00        | -            | -          | 19,550.00              | 19,550.00                          | 11,511.83                    | 929.00                      | -         | 12,440.83                    | 7,109.17                                       | 8,038.17                                       |
| 9      | MOTOR CAR & Motor Cycle | 9.50 %               | 1,131,340.00     | 1,186,263.00 | -          | 2,317,603.00           | 2,317,603.00                       | 133,817.00                   | 124,882.00                  | -         | 258,699.00                   | 2,058,904.00                                   | 997,523.00                                     |
| 10     | TYPE WRITER             | 4.75 %               | 8,064.90         | -            | -          | 8,064.90               | 8,064.90                           | 7,580.22                     | 383.00                      | -         | 7,963.22                     | 101.68   | 484.68   |
| 11     | OFFICE EQUIPMENTS       | 4.75 %               | 231,866.00       | 15,400.00    | -          | 247,266.00             | 247,266.00                         | 100,153.00                   | 11,417.00                   | -         | 111,570.00                   | 135,696.00                                     | 131,713.00                                     |
| 12     | COMPUTER & ACCESSORIES  | 16.21 %              | 75,301.00        | 6,950.00     | -          | 82,251.00              | 82,251.00                          | 27,422.00                    | 12,641.00                   | -         | 40,063.00                    | 42,188.00                                      | 47,879.00                                      |
| 13     | CYCLE                   | 7.07 %               | 1.00             | -            | -          | 1.00                   | 1.00                               | -                            | -                           | -         | -                            | 1.00   | 1.00   |
|        | <b>TOTAL</b>            |                      | 14,564,530.62    | 2,153,324.00 | -          | 16,717,854.62          | 22,144,935.96                      | 6,759,482.93                 | 711,348.00                  | -         | 7,470,830.93                 | 14,674,105.03                                  | 13,232,129.03                                  |
|        | <b>PREVIOUS YEAR</b>    |                      | 13,830,309.62    | 735,408.00   | -          | 14,565,717.62          | 19,992,798.96                      | 6,125,415.93                 | 635,246.00                  | -         | 6,760,661.93                 | 13,232,137.03                                  | 13,131,975.03                                  |

## SILVER OAK (INDIA) LIMITED 2009-2010

| <b>SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010</b>                     |                      |                      |
|--|----------------------|----------------------|
| <b>PARTICULARS</b>   | <b>31-03-2010</b>    | <b>31-03-2009</b>    |
| <b><u>CURRENT ASSETS LOANS &amp; ADVANCES</u></b>  |                      |                      |
| (As certified by the Management )  |                      |                      |
| <b><u>CURRENT ASSETS</u></b>   |                      |                      |
| <b><u>SCHEDULE '7' OF INVENTORIES</u></b>  |                      |                      |
| (At Cost or net realisable value whichever is lower and as certified by the management). |                      |                      |
| Finished Goods   | 10,100,083.00        | 8,188,769.00         |
| Raw Material   | 1,962,048.00         | 2,231,297.00         |
| Packing Material   | 2,947,536.00         | 3,007,247.00         |
| Essence  | 206,893.00           | 279,718.00           |
| Consumable Goods   | 129,421.00           | 151,742.00           |
| Work - in - Process  | 497,037.00           | 567,746.00           |
| <b>TOTAL Rs.</b>   | <b>15,843,018.00</b> | <b>14,426,519.00</b> |
| <b><u>SCHEDULE '8' OF SUNDRY DEBTORS</u></b>   |                      |                      |
| ( Unsecured Considered Goods )   |                      |                      |
| Less than Six months :   | 10,635,782.00        | 6,913,311.00         |
| More than Six months :   | 2,477,278.00         | 1,832,493.00         |
| <b>TOTAL Rs.</b>   | <b>13,113,060.00</b> | <b>8,745,804.00</b>  |
| <b><u>SCHEDULE '9' OF CASH AND BANK BALANCE</u></b>                                      |                      |                      |
| Cash in Hand   | 247,465.00           | 307,111.00           |
| <b><u>Bank Balances</u></b>  |                      |                      |
| With Scheduled Banks in Current Accounts   | 32,885.89            | 58,495.91            |
| <b>TOTAL Rs.</b>   | <b>280,350.89</b>    | <b>365,606.91</b>    |
| <b><u>SCHEDULE '10' OF LOANS AND ADVANCES</u></b>  |                      |                      |
| ( Advance recoverable in Cash or in kind or for value to be received ).                  |                      |                      |
| Prepaid Expenses   | 1,191,987.15         | 696,238.76           |
| Advance Income Tax   | 608,633.00           | 222,375.00           |
| VAT  | 59,158.00            | 2,117.00             |
| Frienge Benefit Tax  | -                    | 30,000.00            |
| Advance paid against supply of goods   | 350,567.65           | 273,282.65           |
| Sundry Deposits  | 577,103.00           | 537,290.00           |
| <b>TOTAL Rs.</b>   | <b>2,787,448.80</b>  | <b>1,761,303.41</b>  |
| <b><u>SCHEDULE '11' OF CURRENT LIABILITIES</u></b>                                       |                      |                      |
| A) Sundry Creditors  |                      |                      |
| 1) For Goods   | 8,178,972.24         | 5,356,407.24         |
| 2) For Expenses  | 1,665,147.00         | 682,031.00           |
| B) Advance received against supply of Goods  | 105,895.00           | 83,882.00            |
| C) Book Over Draft   | 890,928.73           | -                    |
| <b>TOTAL Rs.</b>   | <b>10,840,942.97</b> | <b>6,122,320.24</b>  |

## **SILVER OAK (INDIA) LIMITED 2009-2010**

| <b><u>SCHEDULE '12' OF PROVISIONS</u></b>                |                             |                             |
|--|-----------------------------|-----------------------------|
| Provision for Expenses                                   | 64,491.00                   | 46,181.00                   |
| T.D.S. Payable   | 15,872.00                   | 4,308.00                    |
| Freing Benefit Tax Payable                               | -                           | 33,000.00                   |
| Income Tax payable                                       | 550,000.00                  | 262,000.00                  |
| Service Tax Payable                                      | 18,521.00                   | 168.00                      |
| <b>TOTAL Rs.</b>   | <b><u>648,884.00</u></b>    | <b><u>345,657.00</u></b>    |
| <b><u>SCHEDULE '13' OF SALES</u></b>                     |                             |                             |
| 1. LIQUOR  |                             |                             |
| Sales - M.P. - IMFL Division                             | 69,794,407.00               | 38,044,036.00               |
| Sales - M.P. - PH Division                               | 526,284.00                  | 617,328.00                  |
| Sales - Interstate - IMFL Division                       | 1,243,000.00                | 1,743,500.00                |
| Sales - Interstate - PH Division                         | 332,874.00                  | 481,948.00                  |
| Sales - Others   | 690,326.00                  | -                           |
|  | <b><u>72,586,891.00</u></b> | <b><u>40,886,812.00</u></b> |
| <b><u>SCHEDULE '14' OTHER INCOME</u></b>                 |                             |                             |
| Liabilities no longer payable, write off                 | -                           | 201,390.30                  |
| <b>TOTAL Rs.</b>   | <b><u>-</u></b>             | <b><u>201,390.30</u></b>    |
| <b><u>SCHEDULE '15' INCREASE / DECREASE IN STOCK</u></b> |                             |                             |
| CLOSING STOCK  |                             |                             |
| Finished Goods   | 10,100,083.00               | 8,188,769.00                |
| Work - in - Process                                      | 497,037.00                  | 567,746.00                  |
| <b>TOTAL ( A ) : Rs.</b>                                 | <b><u>10,597,120.00</u></b> | <b><u>8,756,515.00</u></b>  |
| <b><u>OPENING STOCK</u></b>                              |                             |                             |
| Finished Goods   | 8,188,769.00                | 5,447,765.00                |
| Work-in-Process  | 567,746.00                  | 750,269.00                  |
| <b>TOTAL ( B ) : Rs.</b>                                 | <b><u>8,756,515.00</u></b>  | <b><u>6,198,034.00</u></b>  |
| <b>Increase / ( Decrease ) in Stock ( A - B )</b>        | <b><u>1,840,605.00</u></b>  | <b><u>2,558,481.00</u></b>  |
| <b><u>SCHEDULE '16' OF MATERIAL</u></b>                  |                             |                             |
| ( i ) Consumption of Material                            |                             |                             |
| <b><u>OPENING STOCK</u></b>                              |                             |                             |
| i) Raw Material  | 2,231,297.00                | 1,977,265.00                |
| ii) Essence  | 279,718.00                  | 359,931.00                  |
| iii) Consumable Goods                                    | 151,742.00                  | 129,225.00                  |
| <b><u>Add : Purchase</u></b>                             |                             |                             |
| i) Raw Material  | 3,34,58,871.00              |                             |
| Finished Goods   | 19,252.50                   |                             |
| Essence  | 75,250.00                   |                             |
|  | <b><u>33,553,373.50</u></b> | <b><u>17,138,061.42</u></b> |
| ii) Consumable Goods                                     | 676,246.85                  | 247,271.00                  |
| <b>TOTAL ( A ) : Rs.</b>                                 | <b><u>36,892,377.35</u></b> | <b><u>19,851,753.42</u></b> |

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **Less : Closing Stock**

|                              |                             |                             |
|------------------------------|-----------------------------|-----------------------------|
| i) Raw Material              | 1,962,048.00                | 2,231,297.00                |
| ii) Essence                  | 206,893.00                  | 279,718.00                  |
| iii) Consumable Goods        | 129,421.00                  | 151,742.00                  |
| <b>TOTAL ( B ) : Rs.</b>     | <b><u>2,298,362.00</u></b>  | <b><u>2,662,757.00</u></b>  |
| <b>TOTAL ( A - B ) : Rs.</b> | <b><u>34,594,015.35</u></b> | <b><u>17,188,996.42</u></b> |

### **SCHEDULE '17' OF MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES**

|                                      |                             |                             |
|--------------------------------------|-----------------------------|-----------------------------|
| 1. Packing Material Consumed         | 20,300,585.52               | 12,280,798.66               |
| 2. Fees                              | 3,434,207.61                | 2,304,530.33                |
| 3. Freight & Cartage                 | 2,902,390.40                | 1,414,701.60                |
| 4. Electric & Water charges          | 586,348.00                  | 633,362.00                  |
| 5. Repair & Maintenance              | 233,526.00                  | 143,997.00                  |
| 6. Director Remuneration             | 15,000.00                   | 180,000.00                  |
| 7. Stationery & Printing             | 89,793.00                   | 57,894.00                   |
| 8. Postage, Telephone Expenses       | 190,889.00                  | 228,317.00                  |
| 9. Rent                              | 180,000.00                  | 180,000.00                  |
| 10. Insurance Charges                | 57,888.00                   | 60,021.72                   |
| 11. Legal & Professional Exp.        | 261,463.00                  | 391,723.00                  |
| 12. Taxes                            | 964,574.00                  | 473,651.00                  |
| 13. Transport Fee                    | 1,650,200.00                | 1,095,000.00                |
| 14. Travelling & Conveyance expenses | 235,941.00                  | 287,449.00                  |
| 15. Miscellaneous Expenses           | 236,931.73                  | 167,378.72                  |
| 16. Bottling charges                 | 1,077,029.00                | 702,921.00                  |
| 16. Sales Pramotion Expenses         | 44,083.00                   | 56,100.00                   |
| <b>TOTAL : Rs.</b>                   | <b><u>32,460,849.26</u></b> | <b><u>20,657,845.03</u></b> |

**Note :- Packing Material consumption includes damage goods.**

### **SCHEDULE '18' EMPLOYEE REMUNERATION & WELFARE**

|                    |                            |                            |
|--------------------|----------------------------|----------------------------|
| Salary & Benefits  | 2,348,934.00               | 1,712,131.00               |
| Providend Fund     | 37,190.00                  | 41,311.00                  |
| E.S.I.C.           | 15,114.00                  | 16,597.00                  |
| Gratuity           | 76,361.00                  | 58,113.00                  |
| <b>TOTAL : Rs.</b> | <b><u>2,477,599.00</u></b> | <b><u>1,828,152.00</u></b> |

### **SCHEDULE '19' FINANCIAL EXPENSES**

|                                 |                          |                          |
|---------------------------------|--------------------------|--------------------------|
| Interest to Bank & Others (Net) | 498,946.00               | 690,814.00               |
| Bank charges                    | 73,231.75                | 53,794.00                |
| Hire charges                    | 60,839.13                | 19,566.49                |
| <b>TOTAL : Rs.</b>              | <b><u>633,016.88</u></b> | <b><u>764,174.49</u></b> |

## **SILVER OAK (INDIA) LIMITED 2009-2010**

### **SCHEDULE '20' OF ACCOUNTING POLICY AND NOTES ON ACCOUNTS**

#### ***I. SIGNIFICANT ACCOUNTING POLICIES***

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

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

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

#### ***II. NOTES ON ACCOUNTS***

1. **Contingent Liabilities** : Contingent liability that may arise due to delayed, non compliance of certain fiscal law, amount of which is unascertain.
2. In our opinion and to the best of our knowledge and belief the aggregate value of current assets and loans and advances on realization in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

## SILVER OAK (INDIA) LIMITED 2009-2010

|           |   |                  |                  |
|-----------|---|------------------|------------------|
| <b>3.</b> | Remuneration of Directors :   | <b>2009-2010</b> | <b>2008-2009</b> |
|           | Remuneration  | 15,000.00        | 1,80,000.00      |
|           | Rent - Accommodation  | 9000.00          | 1,08,000.00      |
| <b>4.</b> | Payments to Auditors (Including Service Tax).   |                  |                  |
|           | For Statutory Audit   | 11,030.00        | 11,030.00        |
|           | For Tax Audit   | 3,309.00         | 3,309.00         |
|           |   | 14,339.00        | 14,339.00        |
| <b>5.</b> | Additional information pursuant to the provisions of Para 3 & 4 of part II of the Companies Act, 1956 as certified by the Directors are as under :- |                  |                  |
|           | <b>a. Particulars of Capacity</b>   |                  |                  |
|           | (I) Licensed Capacity   | 1250640 Cases    | 1250640 Cases    |
|           | (II) Installed Capacity   | 1250640 Cases    | 1250640 Cases    |
|           | (III) Actual Production   |                  |                  |
|           | - At Pithampur  | 172573 Cases     | 111264 Cases     |
|           | <b>b(i) Details of Raw Material ( Rectified Spirit. Malt Spirit &amp; E.N.A. )</b>  |                  |                  |
|           |   | <b>2009-2010</b> | <b>2008-2009</b> |
|           | <b>i) Opening Stock</b>   |                  |                  |
|           | Qty. In Ltrs. ( At Pithampur )  | 20683.10         | 9950.00          |
|           | Value In Rs. ( At Pithampur )   | 20,77,494.00     | 18,68,621.00     |
|           | Value of Others   | 73,976.00        | 13,260.00        |
|           | <b>ii) Purchases</b>  |                  |                  |
|           | Qty. In Ltrs. ( At Pithampur )  | 708000.00        | 438000.00        |
|           | Value In Rs. ( At Pithampur )   | 3,14,49,600.00   | 1,58,82,000.00   |
|           | Value of Others   | 18,53,527.00     | 9,90,536.00      |
|           | <b>iii) Consumption</b>   |                  |                  |
|           | Qty. In Ltrs. ( Sold - Pithampur )  | 3000.00          | -                |
|           | Qty. In Ltrs. ( At Pithampur )  | 684934.30        | 427266.90        |
|           | Value In Rs. ( At Pithampur )   | 3,16,99,426.00   | 1,56,73,127.00   |
|           | Value of Others   | 9,00,703.00      | 9,29,820.00      |
|           | <b>iv) Closing Stock</b>  |                  |                  |
|           | Qty. In Ltrs. ( At Pithampur )  | 40748.80         | 20683.10         |
|           | Value In Rs. ( At Pithampur )   | 18,27,668.00     | 20,77,494.00     |
|           | Value of Others   | 26,800.00        | 73,976.00        |
| <b>b</b>  | <b>(ii) Details of Raw Material ( Pharma Division )</b>   |                  |                  |
|           | <b>i) Opening Stock</b>   |                  |                  |
|           | Value In Rs. ( At Pithampur )   | 79,827.00        | 95,384.00        |
|           | <b>ii) Purchases</b>  |                  |                  |
|           | Value In Rs. ( At Pithampur )   | 1,55,744.00      | 2,12,691.42      |
|           | <b>iii) Consumption</b>   |                  |                  |
|           | Value In Rs. ( At Pithampur )   | 1,57,062.00      | 2,28,248.42      |
|           | <b>iii) Closing Stock</b>   |                  |                  |
|           | Value In Rs. ( At Pithampur )   | 78,509.00        | 79,827.00        |



## SILVER OAK (INDIA) LIMITED 2009-2010

| Particulars  | 2009-2010  | 2008-2009                              |
|--|--|--|
| <b>C. I.M.F.L.</b>   |  |  |
| <b>i) Opening Stock</b>  |  |  |
| Quantity   | 25640.00 Cases   | 21207.35 Cases                         |
| Value In Rs.   | 81,88,769.00   | 54,47,765.00                           |
| <b>ii) Sales</b>   |  |  |
| Quantity   | 169003.00 Cases  | 78134.00 Cases                         |
| Value In Rs.   | 7,10,37,407.00   | 3,97,87,536.00                         |
| <b>iii) Closing Stock</b>  |  |  |
| Quantity   | 28784.00 Cases   | 25640.00 Cases                         |
| Value In Rs.   | 1,01,00,083.00   | 81,88,769.00                           |
| NOTE : The above information are as per calculation and verification by and certification of management.             |  |  |
| <b>6.</b>  | The company has not received any intimation from suppliers regarding the status under The Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure, if any, relating to the amount unpaid as at year end together with interest paid/payable as required under the act have not been given. |  |
| <b>7.</b>  | Expenditure in foreign currency – Rs. NIL. ( Previous year – Rs. NIL- ).<br>Earnings in foreign currency – Rs. NIL. ( Previous year – Rs. NIL- ).  |  |
| <b>8</b>   | Segment reporting (AS 17)  |  |
| <b>S. No. Particulars</b>  | <b>2009-2010</b><br><b>Rs. In lacs</b>   | <b>2008-2009</b><br><b>Rs. in lacs</b> |
| <b>1. Segment revenue (net sales / Income)</b>   |  |  |
| a. I.M.F.L.  | 717.86   | 399.88                                 |
| b. Pharma Division   | 5.58   | 10.99                                  |
| Total  | 726.44   | 410.87                                 |
| Less : Inter Segment Revenue   | -  | -                                      |
| Net Sales / Income from operation  | 726.44   | 410.87                                 |
| <b>2. Segment Results</b>  |  |  |
| Profit / (Loss) before interest & tax  |  |  |
| a. I.M.F.L.  | 98.74  | 79.43                                  |
| b. Pharma Division   | 4.32   | 4.98                                   |
| Total  | 103.06   | 84.41                                  |
| <b>Less :</b>  |  |  |
| a. Interest  | 4.99   | 6.91                                   |
| b. Other un-allocable expenditure net off un-allocable income  | 61.98  | 51.78                                  |
| <b>3. Total Profit / (Loss) before tax</b>   | <b>36.08</b>   | <b>25.72</b>                           |
| <b>9.</b>  | Transaction with related parties during the year & outstanding balance as on 31.03.2010 is as under :-   |  |
|  | <b>Key Management person</b>   | <b>Balance outstanding</b>             |
| Remuneration   | 180000/-   | —                                      |
| Accomodation   | 108000/-   | —                                      |
| Key management person :- Sanjeev Dhody (Managing Director up to May,2009 & Chief Executive Officer up to March,2010) |  |  |

## **SILVER OAK (INDIA) LIMITED 2009-2010**

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

|   | As on 31.03.2010 | As on 31.03.2009 |
|---|------------------|------------------|
| Net profit / (loss) available for equity share holders.               | 36,08,752/-      | 25,72,269/-      |
| No. of share outstanding  | 24,46,700        | 24,46,700        |
| Basic and diluted earning per equity share face value of Rs.10/- each | 1.47             | 1.05             |

**11. Deferred Tax**

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

**12.** The current tax is amount of tax payable on the taxable income for the year as determined in accordance with the under section 115JB of Income tax Act 1961.

**13.** Sundry debtors includes Rs. 1,65,370/- (previous year 1,65,370/-) due from some of the customers of the company . The company is of the opinion that the amount is fully recoverable on completion of final settlement which is in progress. The company is confident of recovering the amount.

**14.** Retirement Benefits : The company has obtained group Gratuity Insurance policy from LIC of India to cover its Gratuity liability and is making annual payment of the liability calculated by them. Provident Fund Cost is accounted as per provision of said Act.

Encashment of leave accumulated while in service is at option of the employee and is accounted for as and when claimed, hence not provided for.

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

## SILVER OAK (INDIA) LIMITED 2009-2010

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

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

#### I. Registration Details

Registration No. 

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| 0 | 0 | 2 | 6 | 3 | 5 |
|---|---|---|---|---|---|

 State Code 

|   |   |
|---|---|
| 1 | 0 |
|---|---|

Balance Sheet 

|   |   |  |   |   |  |   |   |
|---|---|--|---|---|--|---|---|
| 3 | 1 |  | 0 | 3 |  | 1 | 0 |
|---|---|--|---|---|--|---|---|

Date Month Year

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

Public Issue

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|

Right Issue

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|

Bonus Issue

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|

Private Placement

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|

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

Total Liabilities

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 3 | 8 | 9 | 5 | 9 |
|---|---|---|---|---|---|---|---|

Total Assets

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 3 | 8 | 9 | 5 | 9 |
|---|---|---|---|---|---|---|---|

#### Source of Funds

Paid-Up Capital

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 2 | 4 | 4 | 6 | 7 |
|---|---|---|---|---|---|---|---|

Reserves & Surplus

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 7 | 8 | 3 | 9 |
|---|---|---|---|---|---|---|---|

Secured Loans

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 6 | 1 | 3 | 2 |
|---|---|---|---|---|---|---|---|

Unsecured Loans

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|

#### Application Funds

Net Fixed Assets

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 1 | 4 | 6 | 7 | 4 |
|---|---|---|---|---|---|---|---|

Investments

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|

Net Current Assets

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 2 | 0 | 5 | 3 | 4 |
|---|---|---|---|---|---|---|---|

Accumulated Losses

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 3 | 7 | 5 | 0 |
|---|---|---|---|---|---|---|---|

# SILVER OAK (INDIA) LIMITED 2009-2010

## IV. Performance of Company

(Amount in Rs. Thousand)

| Turnover                   |   |   |   |   |   |   | Total Expendure           |   |   |   |   |   |   |   |   |
|----------------------------|---|---|---|---|---|---|---------------------------|---|---|---|---|---|---|---|---|
| 0                          | 0 | 0 | 7 | 2 | 5 | 8 | 7                         | 0 | 0 | 0 | 6 | 8 | 9 | 7 | 8 |
| Profit / (Loss) Before Tax |   |   |   |   |   |   | Profir / (loss) After Tax |   |   |   |   |   |   |   |   |
| 0                          | 0 |   | 0 | 3 | 6 | 0 | 9                         | 0 | 0 |   | 0 | 2 | 1 | 8 | 0 |
| Earning Per Share in Rs.   |   |   |   |   |   |   | Dividend Rate %           |   |   |   |   |   |   |   |   |
| -                          | - | - | - | 1 | . | 4 | 7                         | - | - | N | I | L | - | - |   |

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

1. Item Code No.

(I T C Code)

- - - N A - - -

Product Description

- - I N D I A N

- - - - M A D E

- F O R E I G N

- - L I Q U O R

2. Item Code No.

(I T C Code)

0 1 2 4

Product Description

F O O D

P R O D U C T S

3. Item Code No.

(I T C Code)

- - - N A - - -

Product Description

- - - N I L - -

4. Item Code No.

(I T C Code)

- - - N A - - -

Product Description

- - - N I L - -

## SILVER OAK (INDIA) LIMITED 2009-2010

### CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31st MARCH 2010

|  | Year Ended at<br>31.03.2010 | Year Ended at<br>31.03.2009 |
|--|-----------------------------|-----------------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>   |                             |                             |
| Net Profit Before Tax and Extraordinary Items    | 3,608,752.51                | 2,572,269.36                |
| Depreciation                                     | 711,348.00                  | 635,246.00                  |
| Public Issue Expenses Written Off                | -                           | -                           |
| Investment Income                                | 50,000.00                   | -                           |
| Profit / Loss on Sale of Fixed Assets            | -                           | -                           |
| Extra Ordinary Item                              | -                           | -                           |
| Previous year Adjustment                         | -                           | -                           |
| Operating Profit Before Working Capital changes  | 4,370,100.51                | 3,207,515.36                |
| Adjustment for Trade Receivables                 | (4,367,256.00)              | (3,807,383.00)              |
| Inventories                                      | (1,416,499.00)              | (2,579,724.00)              |
| Loans & Advances                                 | (1,026,145.39)              | 161,721.95                  |
| Trade & Other payables                           | 4,471,849.73                | 3,497,135.70                |
| Direct Taxes paid                                | -                           | -                           |
| Cash Generated from ( used in ) operations       | 2,032,049.85                | 479,266.01                  |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>   |                             |                             |
| Add : INFLOWS FROM INVESTING ACTIVITIES          |                             |                             |
| Sales of Fixed Assets ( Net )                    | -                           | -                           |
| Investment Income                                | -                           | -                           |
| Less : OUTFLOW FROM INVESTING ACTIVITIES         |                             |                             |
| Purchase of Fixed Assets                         | (2,153,324.00)              | (735,408.00)                |
| Net Cash used in Investing Activities            | (2,153,324.00)              | (735,408.00)                |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>   |                             |                             |
| Add : INFLOWS FROM FINANCING ACTIVITIES          |                             |                             |
| Proceeds from Arrears in Calls                   | -                           | -                           |
| Secured Loans                                    | 486,018.13                  | (140,928.51)                |
| Unsecured Loans                                  | (450,000.00)                | 450,000.00                  |
|  | 36,018.13                   | 309,071.49                  |
| Less : OUTFLOWS FROM FINANCING ACTIVITIES        |                             |                             |
| Public Issue Expenses                            | -                           | -                           |
| Net Cash generated from financing activities     | 36,018.13                   | 309,071.49                  |
| Net changes in Cash & Cash Equivalents ( A+B+C ) | (85,256.02)                 | 52,929.50                   |
| Cash & Cash Equivalents - Opening Balance        | 365,606.90                  | 312,677.41                  |
| Cash & Cash Equivalents - Closing Balance        | 280,350.89                  | 365,606.90                  |
| <b>ANNEXURE</b>                                  |                             |                             |
| BREAK - UP OF CASH & CASH EQUIVALENTS            |                             |                             |
| Cash & Bank Balances                             | 280,350.89                  | 365,606.90                  |
| Bank Overdraft                                   | -                           | -                           |
| Cash & Cash Equivalents                          | 280,350.89                  | 365,606.90                  |

For and on behalf of the board

#### AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of SILVER OAK ( INDIA ) LTD., Indore for the year ended 31st March, 2010 prepared by the Company and certify that the statement has been derived from the account of the Company audited by us and has been prepared in accordance almost to the Stock Exchange Listing requirements.

Place : **INDORE**

Date : **2nd September, 2010**

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

**(Sameep Gandhi)**  
PARTNER  
M. No. 41107

# SILVER OAK (INDIA) LIMITED 2009-2010

## SILVER OAK (INDIA) LIMITED

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

I/We \_\_\_\_\_

of \_\_\_\_\_

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

\_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us on my/our behalf at the 26th Annual

General Meeting of the Company to be held on Thursday, 30th day of September, 2010 at 11.00 Noon and

at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signed by said

Affix 30 paise  
Revenue Stamp

### Notes:

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

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## SILVER OAK (INDIA) LIMITED

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

### ATTENDANCE SLIP

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

I hereby record my presence at the 26th Annual General Meeting of the Company to be held at the Regd. Office of the Company at Plot No.110, Sector-I, Industrial Area, Pithampur, Dist. Dhar (M.P.) ON Thursday, 30th day of September, 2010 at 11.00 Noon.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

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

SIGNATURE OF THE MEMBER/PROXY/REPRESENTATIVE

Member's Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_