

13th Annual Report 1996 - 97



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			

SILVER OAK (INDIA) LIMITED

THIRTEENTH ANNUAL REPORT - 1996-97**BOARD OF DIRECTORS**

Shri Rajendra Jaiswal	(Managing Director)
Shri Pradeep Jaiswal	(Director)
Shri Anil Oza	(Director)
Shri S.C. Upadhyaya	(Director)
Smt. Rajni Jaiswal	(Director)
Smt. Shobha Oza	(Director)
Shri Jagdish Pandey	(Director)

AUDITORS

Gandhi Doshi & Shah
Chartered Accountants
Basketball Complex
Race Course Road
Indore - 452 001

REGISTERED OFFICE

Plot No. 110
Sector-I, Industrial Area
Pithampur, Dist. Dhar (M.P.)
Phone : 32088

CORPORATE OFFICE

401, Rajani Bhavan
569/2, M.G. Road
Indore - 452 001
Phone : 542837

BANKER

State Bank of Indore
Industrial Finance Branch
Indore

SHARE TRANSFER AGENT

LEO CORPORATE CONSULTANTS (INDORE) PVT. LTD.
7, Archana Apartment
S-B, Ratlam Kothi
Indore - 452 001
Phone No. - 519439, 518937, 527682, 521194
FAX - (0731) 519116

SILVER OAK (INDIA) LIMITED

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held at 10.30 a.m. on Monday the 30th dat of September, 1997, at THE REGISTERED OFFICE of the company at Plot No. 110, Sector-A. Industrial Area, Pithampur, Distt. Dhar, Madhya Pradesh, to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at 31st March, 1997.
2. To receive and adopt the Profit & Loss Account of the Company for the year ended 31st March, 1997 and the Reports of the Director's and Auditor's thereon.
3. To appoint a director in the place of Smt. Shobha Oza who retires by rotation and being eligible offers herself for reappointment.
4. To appoint a director in the place of Smt. Rajni Jaiswal who retires by rotation and being eligible offers herself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General meeting upto the conclusion of next Annual General meeting and to fix their remuneration. The retiring Auditor M/s. Gandhi Doshi & Shah, Chartered Accountants being eligible offer themselves for appointment.

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to apoint a Proxy to attend and on a poll to vote insetad of himself and a proxy need not be a member of the Company. A member unable to attend may appoint another person (whether a member or not) as his proxy in the enclosed form. The instrument appointing the proxy and the Power of Attorney or other authority, if any, under which it is signed or a copy of that power or authority duly certified by a Notary Public or other proper authority, shall be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting, in default, the instrument of proxy shall not be treated as valid.
2. The Register of members and the Share Transfer Books of the Company will remain closed from Monday the 21st September, 1997 to Thursday the 30th September, 1997 both days inclusive.
3. Members are also requested to notify immediately and change in their address to the Company/Share Transfer Agents.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
5. Members/proxies should bring the attendance slip duly filled in for attending the meeting.
6. All documentw 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 Saturday and Holidays between 10.30 a.m. to 5.00 p.m. upto the date of the Annual General Meeting.

SILVER OAK (INDIA) LIMITED**DIRECTORS' REPORT**

Your Directors take the pleasure in, presenting this 13th Annual Report on the operations of your company and the audited accounts for the financial year ended 31st March, 1997.

FINANCIAL RESULTS

	<u>1996-97</u>	<u>1995-96</u> (Rs. in Lacs)
Turnover	119.10	312.09
Profit before Interest & Depreciation	(2.42)	18.80
Interest	NIL	13.33
Depreciation	2.75	2.40
Profit before Tax	(2.42)	3.07
Profit after Tax	(2.47)	2.11
Profit brought forward	(2.60)	4.05
Profit available for appropriation	NIL	4.05
Profit carried to Balance Sheet	NIL	4.05

PERFORMANCE OF THE COMPANY

The promulgation of prohibition law in the states of Haryana & Bihar has affected the performance of the Company severely.

OUTLOOK FOR THE FUTURE AND DIVERSIFICATION

Though in a very small segment of the market, your Company continues to enjoy good reputation for quality product. But the drive against alcohol and the resultant enactment of prohibition in the State of Haryana and the ongoing debate on this subject in the states of Madhya Pradesh, Rajasthan and Delhi may really have a damaging effect on the company's performance. In the light of the present scenario your company has already started working on the feasibility of diversification.

DIVIDEND

In view of the loss incurred by the company the Directors do not consider it in the interest of the company to recommend any dividend.

INDUSTRIAL RELATION

The industrial relation with the employees of the company were cordial during the year under review.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO.

The information as required under 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 given in Annexure "I" forming part of this report.

PARTICULARS OF EMPLOYEES

There was no employees in receipt of remuneration as required under Section 217 (2A) of the Companies Act, 1956.

SILVER OAK (INDIA) LIMITED**FIXED DEPOSITS**

The company has not accepted any Fixed Deposit with in the meaning of Section 58(a) of the Companies Act, 1956 & rules made thereunder.

DIRECTORS

Smt. Shobha Oza and Smt. Rajni Jaiswal retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

The Shareholders have to elect the Auditors of the Company for the current year to hold office from the conclusion of the ensuing 13th Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration. The retiring Auditors, being eligible offer themselves for re-appointment.

ACKNOWLEDGMENT

The Directors also place on record their sincere thanks to the shareholders of the company for the support and confidence reposed by them in the management of the company.

On behalf of the Board of Directors

Place : Indore

Date : 28th July, 1997

RAJENDRA JAISWAL

ANNEXURE - I

During the year all possible efforts have been made to ensure of consumption of Electricity, Power & Fuel consumption.

	Current Year	Previous Year
Electricity		
(i) Unit	49528	26665
(ii) Total Amount (Rs.)	123822	110159

TECHNOLOGY ABSORPTION AND EXPENDITURE ON RESEARCH & DEVELOPMENT

During the year no specific expenditure exclusively for Research & Development was incurred. No Research & Development activities except day to day on going efforts for product improvement, cost reduction & improvement in productivity has been taken up. Technology absorption is not involved.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings	NIL
Outgo (Rs.)	NIL

SILVER OAK (INDIA) LIMITED**AUDITORS REPORT**

The Shareholders
Silver Oak (India) Limited
INDORE

We have audited the attached Balance Sheet of Silver Oak (India) Limited, Indore as at 31.3.1997 and the Profit & Loss Account for the year ended on that date annexed there to and report that :

1. As required by the manufacturing and other companies (Auditor's Report) order 1988 issued by the Company Law Board in term of Section 227 (4A) / companies Act, 1956 we enclosed, in the annexure a statement on the matter specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in Paragraph 1, above :
 - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) Proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in the report are in agreement with the Books of Accounts.
 - (d) In our opinion and to the best of our information and according to the explanations given to us the said account, read with the notes thereon subject to Note No. IX relating to cash system of accounting of interest on fixed deposits/
Give the information required by the Companies Act 1956 in the manner so required and give a true and fair view.
 - (i) In so far as it relates to Balance Sheet of the State of affairs of the Company as at 31.3.1997.
3. The Company has not granted any loans, secured or unsecured to companies firms, or other parties listed in the Register under section 301 of the Companies Act, 1961 or to Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
4. In respect of interest free loans given by the company to the employee, repayment of principal amount is being made as stipulated.
5. In our opinion and according to the information and explanation given to us, there are adequate internal

control procedure commensurate with the size of the company and the nature of its business with regard to purchase of Stores, Raw materials including Plant & Machinery equipments 7 other assets and for sale of goods.

- (ii) In so far as it relates to the Profit and Loss account of the loss of the Company for the year ended on that date.

For GANDHI DOSHI & SHAH
CHARTERED ACCOUNTANTS

PLACE : INDORE
DATED : 28th July, 1997

(A.B. DOSHI)
PARTNER

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 1 thereof)

As required by the manufacturing and other companies (Auditor's Report) order. 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act. 1956 on the basis of such checks as we considered appropriate we report that :

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, all the assets have been physically verified by the management at the assets have been physically verified by the management at reasonable intervals during the year. according to the information and explanation given to us, no material discrepancies here noticed on such physical verification as compared to book records.
2. None of the Fixed Assets has been revalued during the year.
3. The Stock of finished goods have been physically verified by the management during the year at reasonable intervals.
4. As explained to us, the procedure of physical verification of stocks followed by the management are in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
5. As informed to us, the discrepancies noticed on such verification between the physical stocks and the books records were not material.
6. In our opinion the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis is

SILVER OAK (INDIA) LIMITED

in the proceeding year.

7. The company has not taken any loans, secured or unsecured from companies, Firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 or from Companies of the same management as defined under section 370 (1B) of the Companies Act, 1956.
8. The Company has not granted loans, secured or unsecured to Companies firms, or other parties listed in the Register under section 301 of the Companies Act, 1961 or to Companies under the same management as defined under section 370(1B) of the Companies Act, 1956.
9. In respect of interest free loans given by the company to the employee, repayment of principal amount is being made as stipulated.
10. In our opinion and according to the information and explanation given to us there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of Stores. Raw Materials including Plant & Machinery equipments & other assets and for sale of goods.
11. In our opinion and accordingly to the explanation given to us, the transaction of purchase and sales made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- more in respect of such party have been made at prices which are reasonable having regard to the prevailing market prices for services or the prices at which transactions for similar transaction have been made with other parties.
12. The company has not accepted any deposits from public.
13. As explained to us, the company has a regular procedure for determination of unserviceable or damaged stores, raw materials or finished goods and necessary provision for loss have been made in the Books of Accounts for the company.
14. The Company has not produced any by products or sold scrap during the year.
15. The Company does not have a separate internal Audit System.
16. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any products of the company.
17. According to the information given that Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956.
18. Provident Fund and Employees State Insurance dues have generally been deposited late with appropriate authorities. Arrears of Contribution towards Provident Fund of Rs. 68,753.06 and Employees State Insurance of Rs. 10,822 - which were outstanding as on 31st March, 1997 till the date of our audit no payments has been deposited with the appropriate authorities.
19. According to the information and explanations given to us, the company does not have any undisputed amount payable in respect of Income Tax. Wealth Tax, Sales Tax. Custom duty and Excise Duty outstanding as at least day of the financial year for a period of more than six months from the date they become payable except on account of wealth tax amounting Rs. 1,026/-.
20. According to the information and explanations given to us no personal expenses of Employees or Directors have been charged to revenue A/c. other than those payable under contractual obligation or in accordance with generally accepted business practice.
21. The Company is not a Sick Industrial Company within the meaning of clause (i) of Sub-section (1) of Section 3 of Sick Industrial Company (Special Provision) Act, 1985.

For GANDHI DOSHI & SHAH
CHARTERED ACCOUNTANTS

PLACE : INDORE
DATED : 28th July, 1997

(A.B. DOSHI)
PARTNER