

# 23<sup>rd</sup>

Annual Report  
2006-07

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

**SILVER OAK (INDIA) LIMITED 2006-2007**

**TWENTY THIRD ANNUAL REPORT 2006-2007**

**BOARD OF DIRECTORS**

- |                                |                    |
|--------------------------------|--------------------|
| 1. Shri Sanjeev Dhody          | -Managing Director |
| 2. Shri Rajeev Dhody           | -Director          |
| 3. Shri Sunil Khandelwal       | -Director          |
| 4. Shri Joginder Singh         | -Director          |
| 5. Shri Harminder Singh Bhatia | -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.)

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**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,  
Navlakha Branch,  
Indore

**SILVER OAK (INDIA) LIMITED**

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

## **SILVER OAK (INDIA) LIMITED 2006-2007**

### **NOTICE**

**NOTICE** is hereby given that the Twenty third Annual General Meeting of the Company will be held on Saturday, 29th day of September, 2007 at 11.00 A.M. at the Registered Office of the Company at Plot No.110, Industrial Area, Sector-I, Pithampur-454775, Dist. Dhar (M.P.) to transact the following businesses:

#### **ORDINARY BUSINESS:**

01. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2007, the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
02. To appoint a Director in place of Shri Sunil Khandelwal, director of the Company who retires by rotation and being eligible offered himself for re-appointment.
03. To appoint Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board  
**SILVER OAK (INDIA) LIMITED**

Pithampur(M.P.)  
11th August,2007

SANJEEV DHODY  
Managing Director

#### **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 Saturday, 29th September, 2007 will be Record date for the purpose of Annual General Meeting of the Company.
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.

By Order of the Board  
**SILVER OAK (INDIA) LIMITED**

Pithampur(M.P.)  
11th August, 2007

SANJEEV DHODY  
Managing Director

**SILVER OAK (INDIA) LIMITED 2006-2007****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their 23rd Annual Report, together with Audited Accounts of the Company for the year ended 31st March, 2007.

**FINANCIAL RESULTS:**

	31st March 2007	(Rs.in Lacs) 31st March 2006
Sales and other Income	262.55	233.89
Profit/(Loss) before Depreciation,		
Interest and Tax	30.47	23.03
Interest	6.89	6.91
Depreciation	5.86	5.92
Profit/(Loss) before Tax	17.72	10.19
Net Profit/(Loss) for the year	17.72	10.19
Less: Provision for Tax	7.86	(18.17)
Net Profit for the year	9.86	28.36
Profit brought forward from previous year	(105.92)	(134.28)
Loss carried to Balance Sheet	(96.06)	(105.92)

**DIVIDEND:**

In view of accumulated Losses and augmenting funds for increased working capital of the Company, your Directors have decided not to recommend any dividend for the year ended 31st March, 2007.

**OPERATIONS:**

During the year under review the Company achieved much higher turnover of Rs.262.55 Lacs as compared to Rs.133.89 Lacs in the previous year. The Company closed its accounting year with a net profit of Rs. 9.86 Lacs as compared to net loss of Rs.28.36 lacs in the previous year.

**FUTURE PROSPECTS:**

During the year under review, Company achieved higher production of Indian made foreign liquor as compared to previous year. Your directors wish to inform that the current period of 4 months from April-July, 2007 is also seen with increased trend in production as well as profitability of the Company and hope to maintain the same trend during the whole year. The incremental trend is also seen in the Pharma Division of the Company.

**DIRECTORS:**

There was change in the directorship since last report of directors.

Shri Sunil Khandelwal, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offered himself for re-appointment.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Your Directors state :

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

## **SILVER OAK (INDIA) LIMITED 2006-2007**

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.

### **PERSONNEL:**

The Company continued to get full support from its employees and maintained cordial relations with them at all levels. The Directors wish to place on record their appreciation for valuable services rendered by them at all levels.

The information pursuant to Section 217(2A) of the Companies Act, read with the Companies(Particulars of Employees)Rules,1975 is not applicable to the Company as no employee is paid remuneration exceeding Rs.200,000/- p.m. or Rs.2400,000/-p.a.

### **AUDITORS:**

M/s O.T. Gandhi & Co., Chartered Accountants, Indore, the Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. They have signified their consent to accept re-appointment and have further confirmed their eligibility under Section 224(1B) of the Companies Act,1956. Your Directors recommend their re-appointment.

### **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 annexed as per Annexure "A" which forms part of this Report.

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

The Company has paid upto date Listing Fees to M.P. Stock Exchange, Indore, The Stock Exchange, Mumbai, and The Stock Exchange, Ahmedabad.

The Members at their Annual General Meeting of 2003 passed requisite resolutions for delisting of Company's Shares from Madras Stock Exchange Limited, Channai and The Delhi Stock Exchange Association Limited, Delhi. Therefore, the Company has not paid fees to these Exchanges though application for delisting is still pending with them.

### **ACKNOWLEDGEMENT:**

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

By Order of the Board  
**SILVER OAK (INDIA) LIMITED**

Pithampur(M.P.)  
11th August,2007

**SANJEEV DHODY**  
Managing Director

**SILVER OAK (INDIA) LIMITED 2006-2007****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, 2007.

**FORM "A"****CONSERVATION OF ENERGY:****A. Electricity Consumption:**

<b>1. Electricity</b>	<b>Current Year 2006-2007</b>	<b>Previous Year 2005-2006</b>
<b>(a) PURCHASED:</b>		
(i) Units Purchased	74693	75843
(ii) Total Amount (Rs.)	439260	431967
(iii) Power cost per unit (Rs.)	5.88	5.69
<b>(b) OWN GENERATION:</b>	NIL	NIL
Through D.G. Set		
(i) Production in Cases	83774	67753
(ii) Units consumption per case	0.89	1.12
(iii) Cost of power per case (Rs.)	5.24	6.37

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

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

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

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

By Order of the Board  
**SILVER OAK (INDIA) LIMITED**

Pithampur (M.P.)  
11th August, 2007

**SANJEEV DHODY**  
Managing Director

**SILVER OAK (INDIA) LIMITED 2006-2007****CORPORATE GOVERNANCE REPORT  
FOT THE FINANICAL YEAR 2006-07****1. A brief statement on Company's Philosophy on Code Governance:**

The Company has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. The Company is more or less regular in discharging its statutory obligations and duties. The Board of Directors ("The Board") has had adequate representation of the professional, qualified and experienced, Non-Executive and Independent directors. The Board and committee meetings have been held as frequently as required. Adequate disclosures and information are provided to the board as well as Committee, to ensure the Board exercises its fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability. All the Directors attending the Board and Committee Meetings actively participate in their proceedings. Decisions at the Board and Committee Meeting are taken unanimously.

**2. Board of Directors:**

The Board of the Company consists of Four Directors, two of whom are Non-Executive and Independent (NEDs) and One is Non-Executive Director and NEDs are more than 50% of the total number of Directors.

**Table 1**

Sr. No.	Name of the Director	Cate-gory.	No. of Board Meetings Attended	Atten-dance at last AGM	No. of Other Director-ships *	Outside Committee	
						Ch.	Mem.
01.	Shri Sanjeev Dhody	MD	07	YES	—	—	—
02.	Shri Rajeev Dhody	NED	04	YES	01	—	—
03.	Shri Sunil Khandelwal	NED/I	07	YES	—	—	—
04.	Shri Joginder Singh	NED/I	07	YES	—	—	—
05.	Shri Herminder Singh Bhatia	NED/I@	05	NO	—	—	—

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

@ Appointes at Board Meeting held on 17.06.2006.

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

**3. Board Procedure:**

Board Meetings:

During the financial year 2006-07 the Board of Directors met 7 (Seven) times: The maximum gap between any two meetings was not more than three months.

The details of the Board meetings held during the financial year 2006-07 are given in the table 2:

**Table 2**

Date of Board Meeting	Total No. of Directors	Attended by (No. of Directors)
30.04.2006	4	4
17.06.2006	4	4
30.07.2006	5	4
08.08.2006	5	5
30.10.2006	5	5
31.01.2007	5	4
06.03.2007	5	4



**SILVER OAK (INDIA) LIMITED 2006-2007****4. BOARD COMMITTEES:****a. Audit Committee:****i. Terms of Reference**

The Audit Committee has been mandate with the same terms of reference as specified in 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 Annual General Meeting held on 30th September, 2006.

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

The Audit Committee consists of three directors in which two are independent Directors. During the financial year ended 31.03.2007 three meetings were held on 17.06.2006, 30.10.2006, 06.03.2007. The composition of the audit committee and the attendance of each director at these meetings are given in Table 3:

**Table 3**

Name	Designation	Meeting Attended
Shri Rajeev Dhody	Member	3
Shri Sunil Khandelwal	Chairman	3
Shri Joginder Singh	Chairman	3

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.

**5. SHAREHOLDERS COMMITTEE/INVESTOR GRIEVANCE COMMITTEE:**

The Share Transfer and Shareholders/Investor Grievances Committee consists of two Independent Directors and one managing Director. The Committee is headed by Shri Sunil Khandelwal and Shri Joginder Singh and Shri Sanjeev Dhody were other members of the committee. It deals with the matters of approval of transfer and transmission of equity shares, issue of duplicate certificates, matters relating to Dematerialisation of shares and shareholders related issues.

The Committee was reorganised on 30.01.2007 and Shri Herminder Singh Bhatia was appointed as Member of the Committee in addition to existing members.

There were periodical meetings of the Committee. There were no shareholder's complaints received during the year 2006-07 and have left unattended at the end of the year.

**6. ANNUAL GENERAL MEETINGS:****a. Details of the location and time for last three Annual General Meetings**

AGM	Year	Location	Date	Time
20TH	2003-04	Regd. Office	30.09.2004	11.00 A.M.
21ST	2004-05	Regd. Office	30.09.2005	11.00 A.M.
22ND	2005-06	Regd. Office	30.09.2006	11.00 A.M.

**b. Special Resolutions passed at last three Annual General Meetings:**

- i) At 20th Annual General Meeting: Nil
- ii) At 21st Annual General Meeting: Nil
- iii) At 22nd Annual General Meeting: Nil

**7. 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.