

24th

Annual Report
2007-08

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SILVER OAK
(INDIA) LIMITED

SILVER OAK (INDIA) LIMITED 2007-2008**TWENTY FOURTH ANNUAL REPORT 2007-2008****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 2007-2008**NOTICE**

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Tuesday, 30th day of September, 2008 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, 2008, the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
02. To appoint a Director in place of Shri Joginder Singh, 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.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to Section 198, 269 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval of the Company be and is hereby accorded to the re-appointment of Shri Sanjeev Dhody, as the Managing Director of the Company to hold office for a period of 5 (Five) years commencing from 25/11/2007 on the terms and Conditions set out in the explanatory statement annexed to the notice calling this Annual General Meeting.

By Order of the Board
SILVER OAK(INDIA)LIMITED

Pithampur(M.P.)
11th August, 2008

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 Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 29th September, 2008 to Tuesday, 30th September, 2008 (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.

By Order of the Board
SILVER OAK (INDIA) LIMITED

Pithampur(M.P.)
11th August, 2008

SANJEEV DHODY
Managing Director

SILVER OAK (INDIA) LIMITED 2007-2008**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO.4:**

The Board of Directors of the Company at its meeting held on 25.11.2007 re-appointed Shri Sanjeev Dhody as the Managing Director of the Company with effect from 25.11.2007 to 24.11.2012 subject to approval of members in their next Annual General Meeting. He will be paid remuneration as provided below which has been approved by the Board of Directors after recommending by the Remuneration committee.

- | | |
|----------------|--|
| 1. Salary | : Rs.50000/- per month |
| 2. Perquisites | : Perquisites as detailed below are allowed in addition to the salary. |

CATAGORY A:

- i) Provision of unfurnished residential accommodation at Indore and where no accommodation is provided, a house rent allowance will be paid subject to a ceiling of Rs. 20000/- p.m.
- ii) Reimbursement of Medical and Hospital expenditure for self and dependent parents subject to a ceiling of one month salary per annum.
- iii) Leave Travel Concession for self and family once in a year for travel anywhere in India.
- iv) Personal Accident Insurance for an amount, the premium of which does not exceed Rs. 1,000 per month.
- v) To take key man insurance policy which shall not be included in perquisites.

CATAGORY B:

- i) Company's contribution towards Provident Fund, subject to a maximum of 12% of Salary.
- ii) Gratuity not exceeding the half a month salary for each completed year of service.
- iii) Encashment of leave computed at the last drawn salary.

CATAGORY C:

- i) Provision of Company's Car with or without driver for Company's business.
- ii) Provision of Telephones at residence for Company's business.
- iii) Membership of Club/health club.

Clarification:

The total value for the perquisites in any case shall not exceed the amount of salary as calculated in terms of Income Tax as applicable from time.

None of the other Directors except Shri Sanjeev Dhody himself and Shri Rajeev Dhody being relative are concerned or interested in the resolution.

The Directors recommend the resolutions to be passed as ordinary resolution.

By Order of the Board

Pithampur(M.P.)
11th-August, 2008

SILVER OAK (INDIA) LIMITED

SANJEEV DHODY
Managing Director

SILVER OAK (INDIA) LIMITED 2007-2008**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their 24th Annual Report, together with Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS:

	31st March 2008	(Rs.in Lacs) 31st March 2007
Sales and other Income	278.07	262.55
Profit/(Loss) before Depreciation, Interest and Tax	35.79	30.47
Interest	6.92	6.89
Depreciation	6.13	5.86
Profit/(Loss) before Tax	22.74	17.72
Less: Provision for Tax	9.67	7.86
Net Profit for the year	13.07	9.86
Profit brought forward from previous year	(96.06)	(105.92)
Loss carried to Balance Sheet	(83.99)	(96.06)

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, 2008.

OPERATIONS:

During the year under review the Company achieved higher turnover of Rs.278.07 Lacs as compared to Rs.262.55 Lacs in the previous year. The Company closed its accounting year with a net profit of Rs. 13.07 Lacs as compared to net profit of Rs.9.86 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, 2008 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 Joginder Singh, 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 the Company for that period.

SILVER OAK (INDIA) LIMITED 2007-2008

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, Chennai 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.

CORPORATE GOVERNANCE:

As required under the Listing Agreement with stock exchanges, report on corporate governance and management discussions is attached as Annexure-B, herewith.

ACKNOWLEDGEMENT:

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

By Order of the Board
SILVER OAK(INDIA)LIMITED

Pithampur(M.P.)
11th August, 2008

SANJEEV DHODY
Chairman & Managing Director

SILVER OAK (INDIA) LIMITED 2007-2008**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,2008.

FORM "A"**CONSERVATION OF ENERGY:**

	Current Year 2007-2008	Previous Year 2006-2007
A. Electricity Consumption:		
1. Electricity		
(a) PURCHASED:		
(i) Units Purchased :	84866	74693
(ii) Total Amount (Rs.) :	534097	439260
(iii)Power cost per unit(Rs.) :	6.29	5.88
(b).OWN GENERATION:	NIL	NIL
Through D.G.Set		
(i) Production in Cases :	80653	83774
(ii) Units consumption per case :	1.05	0.89
(iii)Cost of power per case(Rs.) :	6.62	5.24

B. ECHNOLOGY 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.
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C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

For and on behalf of the Board
SILVER OAK (INDIA) LIMITED

Pithampur(M.P.)
11th August,2008

SANJEEV DHODY
Chairman & Managing Director

SILVER OAK (INDIA) LIMITED 2007-2008**CORPORATE GOVERNANCE REPORT
FOT THE FINANICIAL YEAR 2007-08****"ANNEXURE-B"****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 Five 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	00	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	07	NO	—	—	—	—

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

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

3. Board Procedure:

Board Meetings:

During the financial year 2007-08 the Board of Directors met 7 (Six) 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 2007-08 are given in the table 2:

Table 2

Date of Board Meeting	Total No. of Directors	Attended by (No. of Directors)
30.04.2007	5	4
30.07.2007	5	4
11.08.2007	5	4
30.10.2007	5	4
19.11.2007	5	4
30.01.2008	5	4
10.03.2008	5	4

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 29th September, 2007.

SILVER OAK (INDIA) LIMITED 2007-2008**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 31.03.2008 three meetings were held on 30.07.2007, 19.11.2007 and 06.03.2008. 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 Sanjeev Dhody	Member	3
Shri Sunil Khandelwal	Chairman	3
Shri Joginder Singh	Member	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.

b. Shareholders Committee/Investor Grievances 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 Dematerialization of shares and shareholders related issues.

There were periodical meetings of the Committee. There were no shareholder's complaints received during the year 2007-08 and have left unattended at the end of the year.

c. Remuneration Committee:

During the year under review, Remuneration has met on 30.10.2007 to review the remuneration payable to the Managing Director for next five years commencing for the period from 25.11.2007 to 24.11.2012 on the occasion of expiry of five years tenure and also to consider the revision keeping in view of no change in remuneration for last ten years. The Remuneration committee recommended the amount provided in the explanatory Statement attached with the Notice calling next Annual General Meeting.

The remuneration Committee has three directors who are independent directors. They discussed the remuneration payable in detail and there after unanimously approved and recommended to the Board of Directors of the Company, the remuneration payable to the Managing Director.

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

AGM	Year	Location	Date	Time
21st	2004-05	Regd. Office	30.09.2005	11.00 A.M.
22nd	2005-06	Regd. Office	30.09.2006	11.00 A.M.
23rd	2006-07	Regd. Office	29.09.2007	11.00 A.M.

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

i) At 21st Annual General Meeting: Nil

ii) At 22nd Annual General Meeting: Nil

iii) At 23rd Annual General Meeting: Nil

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) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.