

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 2nd 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.)
2nd 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. 2nd September, 2010 by the Board at its meeting held on 2nd 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.)
2nd 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 2009-10	(Rs.in Lacs) 31st March 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 31st 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 2nd 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 4th Aug 2010.

CORPORATE GOVERNANCE:

The Company voluntarily 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.)

2nd 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 2009-2010	Previous Year 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:

Name of the Director	Number of Meetings attended
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:

Name of the Director	Number of Meetings attended
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:

Name of the Director	Number of Meetings attended
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 th 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 th 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 Month's Low Price 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