29th Annual Report 2012-13

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SILVER OAK (INDIA) LIMITED

Regd.Office: Plot No.110, Sector-I,Industrial Area,
Pithampur, Dist. Dhar (M.P.) 454 775

I/We_____

of_____

Member/Members of SILVER OAK (INDIA) LIMITED hereby appoint_____

_____of_____ or failing him _____

of_____ as my/our Proxy dto attend and vote for me/us on my/our behalf at the 29th Annual General Meeting ofthe Company to be held on Saturday, 27th day of September, 2013at 11.00 A.M. and at any adjournment thereof.

Signed the _____day of _____2013

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.) 454 775

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

I hereby record my presence at the 29th 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 Saturday, 27th day of September, 2013 at 11.00 A.M.

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

Mmember's Folio No._____No.of Shares held_____

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held on **Saturday, 27th day of September, 2013 at 11.00 A. M.** at the Registered Office of the Company at Plot No. 110, Industrial Area, Sector-I, Pithampur- 454 775, Dist. Dhar (M.P.) to transact the following businesses:

ORDINARY BUSINESS:

1. To reappoint a Director in place of Shri Bhupendra Singh, Whole Time Director of the Company who retires by rotation and being eligible offered himself for re-appointment.

2. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** M/s O. T. Gandhi & Company, Chartered Accountants, be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

By Order of the Board of Directors

Place : Indore (M.P.)
Date : 14th August, 2013

Bhupendra Singh
Whole Time 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 proxy need not be a member of the company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 25th September, 2013 to Friday, 27th September, 2013 (Both days inclusive).

3. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting. For shares held in dematerialised form, the DP ID and Client ID numbers should be indicated in the Attendance Slip.

4. Members are requested to:
   A) Quote their folio number(s) in all correspondence with the Company.
   B) For shares held in physical form, any change in address/other details may be intimated to the Company/Share Transfer Agent by quoting the Folio Number(s).For shares held in demat form, change in address/other details may be intimated directly to the Members' DP.

5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of their Folios.

6. The Ministry of Corporate Affairs has taken a **'Green Initiative in Corporate Governance'** by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this report, with M/s. Ankit Consultancy Private Limited / Investors Service Department of the Company. The Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only. Even after registering for E-Communication the Shareholders of the Company are entitled to receive such communication in physical form, upon request.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Ankit Consultancy Private Limited /Investors Service Department.

8. Reappointment of Director:

   Shri Bhupendra Singh, Whole Time Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. He has about 17 years of experience in Liquor Market and depth knowledge of Finance and Marketing.

9. 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.

10. Shareholders seeking any information with regard to accounts 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 of Directors

Place : Indore (M.P.)
Date : 30th May, 2013

Bhupendra Singh
Whole Time
Director

REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting their 29th Annual Report, together with Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

Particulars	2012-13	2011-12
	(Rs. in Lacs)	
Sales and other Income	1610.76	1245.06
Profit/(Loss) before Depreciation	47.41	35.74
Interest	11.08	7.83
Depreciation	9.70	7.97
Profit/(Loss) before Tax	37.72	36.51
Less: Provision for Tax	11.88	11.40
Net Profit/(loss) for the year	25.83	25.11
Profit/(Loss) brought forward from previous year	88.58	(16.26)
Balance carried to Balance Sheet	34.69	8.85

DIVIDEND:

The Company has earned a Net Profit of Rs. 25.83 Lacs during the Financial Year 2012-13 but in view of the future expansion plan and other business activities your directors have decided not to recommend any dividend for the year ended 31st March, 2013.

OPERATING RESULTS:

During the financial year under review, your Company achieved a production of 234767 cases of Indian Made Foreign Liquor (IMFL) (253873 cases in 2011-12) and sold 245610 cases (243717 cases in 2011-12) of IMFL generating a net revenue of Rs. 1601.38 lakhs (Rs. 1244.75 lakhs in 2011-12).

Your Company has incurred a net profit of Rs. 25.83 Lacs for the financial year ended 31st March, 2013 as against the profit of 25.11 Lacs for the financial year ended 31st March, 2012, after taking into account interest, depreciation, prior period adjustments and exceptional items.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A) Industry Structure & Development and Outlook

Indian Made Foreign Liquor (IMFL) is "state subject" and as such every State has its own policies in respect of this industry. Madhya Pradesh, the state in which the company operates, has its own policy, both for manufacture as well as for marketing/distribution. 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.

CAUTIONARY STATEMENT:

The statement in this report is based on the experience and information available to the company in its businesses and assumptions with regard to economic conditions, Government and regulatory policies. The performance of the company is dependent on these factors. It may be materially influenced by various factors including change in economic conditions, government regulations, tax laws and other incidental factors, which are beyond the company's control, affecting the views expressed in or perceived from this report.

DIRECTORS:

Shri Bhupendra Singh, whole time director of the Company, retires by rotation and being eligible offers himself for re-appointment.

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, with respect to Directors 'Responsibility Statement, it is hereby confirmed that:

(i) in the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

(ii) the Directors have 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 as at March 31, 2013 and of the profit of the Company for the year ended on that date;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the Directors have prepared the annual accounts of the Company 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 holds office until the conclusion of the ensuing Annual General Meeting, and is 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 Company's shares are listed in the following 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.

CORPORATE GOVERNANCE:

A report on Corporate Governance along with Auditors Certificate is annexed 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.

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

Place : Indore (M.P.)
Date : 30th May, 2013

Bhupendra Singh
Director

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, 2013.

FORM "A"

CONSERVATION OF ENERGY:

A. Electricity Consumption:

1. Electricity		Current Year 2012-2013	Previous Year 2011-2012
(a) Purchased:			
(i) Units Purchased:		92505.00	98499.00
(ii) Total Amount (Rs.)		715443.00	662279.00
(iii) Power cost per unit(Rs.)	:	7.73	6.72
(b) Own Generation:			
Through D.G.Set		NIL	NIL
(i) Production in Cases	:	234767.00	253873.00
(ii) Units consumption per case	:	0.39	0.39
(iii) Cost of power per case (Rs.)	:	3.04	2.60

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 Directors

Place : Indore (M.P.)
Date : 30th May, 2013

Director Director

CORPORATE GOVERNANCE REPORT

"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, 2013 the Board comprised of Three Directors, one of whom are Executive and remaining two are Independent Directors (NED). The Board constitutes 67% of the Directors who are Non Executive Directors.

Director	Category	No. of Director-ships*	Number of Member of the Board Committees*	No. of Baord Committees for which Chariperson*
Shri Bhupendra Singh	Whole-Time Director	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

* 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.

3. **Board Procedure:**
Board Meetings:

During the financial year 2012-13 the Board of Directors met 6 (Six) times viz. 10.05.2012, 13.08.2012, 28.08.2012, 23.10.2012, 15.11.2012 and 14.02.2013

The details of the Board meetings held during the financial year 2010-11 are given below:

Directors	Number of Board Meetings held	Number of Board Meeeting Attended	Attendance of Last AGM
Shri Chanchal Rai	6	6	Yes
Shri Santosh Kumar Singh	6	6	"
Shri Bhupendra Singh	6	6	"

4. **BOARD COMMITTES:**
   a. **Audit Committee:**
   i. **Terms of Reference**
   The Audit Committee has been mandate with the same terms of reference as specified in