

# ONIDA SAKA LIMITED

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**Annual Report**  
2010-11



**BOOK-POST**

If undelivered please return to :

**ONIDA SAKA LIMITED**

A-19, B-1, Mohan Co-operative Industrial Estate,  
Mathura Road, Badarpur, New Delhi

## **BOARD OF DIRECTORS**

**S. C. Rustagi**

**B. P. Yadav**

**Mrs. Chandra Nithyanand**

**V. K. Gupta**

## **AUDITORS**

**M/s. J.L. Garg & Co.,  
Chartered Accountants,  
Basement, 18, National Park,  
Lajpat Nagar - IV,  
New Delhi- 110 024**

## **REGD. OFFICE**

**A-19, B-1,  
Mohan Co-operative Industrial Estate,  
Mathura Road, Badarpur,  
New Delhi - 110 044**

## **REGISTRAR & SHARE TRANSFER AGENT**

**Mas Service Limited  
T-34, 2nd Floor,  
Okhla Industrial Area, Phase-II,  
New Delhi- 110 020**

## ***ONIDA SAKA LIMITED***

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NOTICE is hereby given that the 29th annual general meeting of the members of the **ONIDA SAKA LIMITED** will be held on Friday, the 23rd day of September, 2011 at 9:00 A.M. at H-4, Ansal Villa, Satbari, Chattarpur, New Delhi to transact the following business:

### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and Profit & Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr S. C. Rustagi, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint M/s J. L. Garg & Co., Chartered Accountants to hold office from the conclusion of this meeting till the conclusion of the next annual general meeting and fix their remuneration.

**By order of the Board**

July 26, 2011,  
New Delhi

**S. C. Rustagi**  
**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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME OF THE MEETING.
2. The register of members and share transfer books of the company will remain closed from September 19, 2011 to September 23, 2011 (both days inclusive).
3. It will be appreciated that queries, if any, on accounts and operations of the company are sent to the company ten days in advance of the meeting so that the answer may be made readily available.
4. Members are requested to produce the enclosed attendance slip duly signed, in accordance with specimen signatures registered with the company for admission to the meeting place.

# **ONIDA SAKA LIMITED**

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## **DIRECTORS' REPORT TO THE MEMBERS**

The directors submit their report and accounts for the financial year 2010-11

## **OPERATIONS**

During the year ended March 31, 2011, the sales and other income were Rs. 720/- as against Rs. 13,000/- in the previous year ended 31st March 2010. The loss for the period under review was Rs 2,76,507/- as against loss of Rs 3,21,730/- in the previous year.

## **DIVIDEND**

The directors do not recommend any dividend.

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

- i) The financial accounts are prepared in conformity with the accounting standards issued by the Institute of Chartered Accountants of India and requirements of the Companies Act, 1956 to the extent applicable to the company.
- ii) The accounting policies used in preparation of financial statements have been consistently applied. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, such financial statements reflect in a true and fair manner, the state of affairs of the company at the year ended on 31.3.2011 and loss of the company for the year ended 31.3.2011.
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safe-guarding the assets of the company and preventing and detecting fraud and other irregularities, to the best of our knowledge and ability.
- iv) The annual accounts have been prepared on a going concern and on accrual basis.

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the company, Mr S. C. Rustagi, Director retires by rotation and being eligible, offers himself for re-appointment.

## **AUDITORS' REPORT**

Auditors' observations have been explained in annexure 'B' which forms part of this report.

## **AUDITORS**

The auditors M/s J. L. Garg & Co., Chartered Accountants retire at the conclusion of the forthcoming annual general meeting and being eligible offer themselves for re-appointment. A confirmation in terms of Section 224(1B) of the Companies Act, 1956 has been received from them.

## **PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO**

The company does not have any employee whose remuneration falls under the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. The information under section 217 (1) (e) of the said act read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is set out in annexure 'A' and forms part of this report.

## **ACKNOWLEDGMENT**

Your directors wish to thank and deeply acknowledge the valuable assistance; co-operation and support extended by the Central and State government authorities and banks during the year under review. The Board also gratefully acknowledges the support and goodwill extended by the shareholders of the company.

**For and on behalf of the Board of Directors**

Date: July 26, 2011  
Place: New Delhi

**(S.C. Rustagi)**  
**(Director)**

**(B. P. Yadav)**  
**(Director)**

**ANNEXURE 'A' TO DIRECTORS' REPORT**

**1. CONSERVATION OF ENERGY**

- a. Energy conservation measures taken**  
The operations of the company remained closed during the year and no energy was consumed. Hence, no measures were taken.
- b. Additional investments and proposals, if any, being implemented for reduction of energy.**  
There being no energy conservation and measures taken for energy conservation in view of closed manufacturing operations, no additional measures and proposals implemented for reduction of energy used.
- c. Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.**  
Not applicable.

**2. RESEARCH AND DEVELOPMENT**

- a. Specific areas in which R&D carried out by the company.**  
The operations of the company being closed, no R&D activity was carried out.
- b. Benefits derived as a result of above R&D**  
Not Applicable
- c. Future plan of action.**  
Not Applicable
- d. Expenditure on R&D**  
Not Applicable

**3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.**

- a. Efforts made towards technology absorption, adaptation and innovation.**  
The operations of the company being closed, no R&D activity was carried out.
- b. Benefits derived as a result of above efforts.**  
Not Applicable
- c. Particulars relating to improved technology.**  
Not Applicable

**4. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a. Activities relating to exports:**  
As the manufacturing operations of the company remained closed, no initiatives for export were undertaken.
- b. Foreign Exchange Earnings and Outgo**
  - i) Earnings..... Nil
  - ii) Outgo by way of import of raw material and other expenditure ..... Nil

## ***ONIDA SAKA LIMITED***

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### **ANNEXURE 'B TO DIRECTORS' REPORT**

#### **MANAGEMENT'S COMMENTS IN RESPECT OF REMARKS OF AUDITORS UNDER SECTION 217(3) OF THE COMPANIES ACT, 1956**

➤ **OBSERVATION**

Balances grouped under Advances received from customers and Advances recoverable are under reconciliation and subject to confirmation from respective parties.

• **RESPONSE**

The company has started the reconciliation and process of obtaining confirmation from the respective parties. The final adjustment, if any, shall be made on reconciliation of the same.

➤ **OBSERVATION**

Advances recoverable include an amount of Rs. 121.31 lacs due from corporate companies for which no provision has been made. However, as per analysis of their net worth as per financial statements available, the amounts are doubtful of recovery.

• **RESPONSE**

The confirmation for the earlier years had been obtained and for the financial year 2010-11 it is being obtained. Hence no provision has been made for the advances.

➤ **OBSERVATION**

Investment includes 3,50,000 equity shares of Onida Finance Limited (OFL) value Rs. Nil. The said company (OFL) has been wound up by High Court on 23.1.2004 under the provisions of Companies Act, 1956. OFL is under liquidation and there is no chance of any recovery out of said Investment in OFL.

• **RESPONSE**

The company has already made a full provision in this regard.

➤ **OBSERVATION**

The accounts have been prepared as a going concern inspite of the fact that the company has closed down its manufacturing operations and its entire net worth has been eroded.

• **RESPONSE**

The existing operations of the company have been closed, the company's Board has not yet resolved not to start the any operations yet.

# ONIDA SAKA LIMITED

## DIRECTORS' REPORT ON CORPORATE GOVERNANCE

### 1. Philosophy on Code of Corporate Governance

The Board of Directors monitors company performance, approves and reviews policies / strategies and evaluates management performance. The Board ensures legal and ethical conduct and accurate financial reporting.

### 2. Board of Directors

#### i) Composition & Category

The following is the composition of the Board as on 31st March 2011:

Directors	Category
Mr. B. P. Yadav	Independent & Non-Executive Director
Mr. S. C. Rustagi	Non-Executive Director
Mr. V. K. Gupta	Non-Executive Director
Ms. Chandra Nithyanand	Independent & Non-Executive Director

#### ii) Attendance of each Director at the Board Meetings and the last annual general meeting:

Name of the Director	No. of Board Meetings		Attendance at last AGM
	Held during the tenure of Director	Attended	
Mr. B. P. Yadav	5	5	No
Mr. S. C. Rustagi	5	5	Yes
Mr. V. K. Gupta	5	0	No
Ms. Chandra Nithyanand	5	5	No

#### Note :

- None of the directors is related to any other director.
- During the year the Board of Directors of Onida Saka Limited met 5 times i.e. on May 3, 2010, May 28, 2010, July 31, 2010, November 9, 2010, and February 2, 2011. The maximum gap between any two meetings was not more than four months.

### 3. Other Directorship/Membership and Committees of the Board

Number of outside directorship of the members of Board of Directors:

Name	No. of outside directorship held	No. of membership in Committee of Directors	Chairmanship held in committee of Directors
Mr. B. P. Yadav	1	2	2
Mr. S. C. Rustagi	Nil	Nil	Nil
Mr. V. K. Gupta	Nil	Nil	Nil
Ms. Chandra Nithyanand	Nil	Nil	Nil

## 2. COMMITTEES OF THE BOARD

Currently there are two committees of the Board, the Audit Committee and the Investors' Grievance Committee. The composition and the number of meetings held during the financial period and the related attendance are provided below:



## ONIDA SAKA LIMITED

### i) Audit Committee

The Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Mr. B. P. Yadav	-	Chairman
Mr. S. C. Rustagi	-	Member
Ms. Chandra Nithyanand	-	Member

During the year the committee met five times i.e. on May 3, 2010, May 28, 2010, July 31, 2010, November 9, 2010, and February 2, 2011. The minutes of the Audit Committee were placed before the Board. The overall attendance of the directors was as under:

Member	Held during the tenure of Director	Meetings Attended
Mr. B. P. Yadav	5	5
Mr. S. C. Rustagi	5	5
Ms. Chandra Nithyanand	5	5

### ii) Shareholders'/ Investors' Grievances & Share Transfer Committee

The Board of Directors of the company has constituted Shareholders'/ Investors' Grievances. As on date it is being headed by Mr B. P. Yadav. Mr S. C. Rustagi and Ms Chandra Nithyanand are its members. The committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, etc. The committee also oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. During the year the committee met three times i.e. on July 31, 2010, November 9, 2010, and February 2, 2011. The overall attendance of the directors was as under:

Member	Held during the tenure of Director	Meetings Attended
Mr. B. P. Yadav	3	3
Mr. S. C. Rustagi	3	3
Ms. Chandra Nithyanand	3	3

During the financial year ended March 31, 2011 the company had received nineteen new complaints from shareholders/stock exchanges/SEBI. The company resolved nineteen complaints. As on March 31, 2011 one complaint was pending.

Mr S. C. Rustagi, Director acts as the Compliance Officer.

### Remuneration of Directors

Non-Executive independent directors are paid sitting fees for attending the Board meetings within the limits prescribed under the Companies Act, 1956. Ms Chandra Nithyanand has opted not to take any sitting fee for attending the meetings of the Board of Directors.

Directors	Sitting fees	Salary & Perquisites	Commission	Total
Mr. B. P. Yadav	10,000/-	-	-	10,000/-
Mr. S. C. Rustagi	Nil	Nil	Nil	Nil
Mr. V. K. Gupta	Nil	Nil	Nil	Nil
Ms. Chandra Nithyanand	Nil	Nil	Nil	Nil

## ONIDA SAKA LIMITED

### Procedures at Committee Meetings

The guidelines relating to Board meetings are applicable to committee meetings as far as may be practicable. Minutes of the proceedings of each of the committee meeting are placed before the Board for its perusal and noting.

#### iv) Shareholding of Directors as on March 31, 2011

Name	No. of Shares held
Mr. B. P. Yadav	-
Mr. S. C. Rustagi	500
Mr. V. K. Gupta	1160
Ms. Chandra Nithyanand	40

#### 4. Annual General Meetings

Location and time for the last 3 annual general meetings were as follows:

Year	Location	Year	Time
2007-08	H-4, Ansal Villa, Satbari, Chattarpur, New Delhi	September 03, 2008	9:30 A.M.
2008-09	H-4, Ansal Villa, Satbari, Chattarpur, New Delhi	September 14, 2009	9:00 A.M.
2009-10	H-4, Ansal Villa, Satbari, Chattarpur, New Delhi	September 24, 2010	10:00 A.M.

During the financial year ended March 31, 2011 no resolution was carried through postal ballot process.

#### 5. Disclosures

- a) There are no materially significant transactions with the related party transactions viz. promoters, directors, relatives, the management, subsidiaries, etc. that may have potential conflict with the interests of the company at large.  
None of the transactions of material nature with any of the related parties was in conflict with the interest of the company at large.
- b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchanges or Securities and Exchange Board of India, or any statutory authority, on any matter related to capital markets, during the last three years.  
The company has complied with all the requirements of regulatory authorities except payment of stock exchange fee for Mumbai, Delhi, Chennai, Ahemdabad and Calcutta stock exchanges.

#### c) Accounting Standards

The company has followed all the applicable accounting standards

#### 6. Means of Communication

Half yearly report sent to each household of Shareholder	No
Newspapers in which Quarterly Results are normally published	Financial Express / Veer Arjun
Any Website, where displayed	No
Whether it also displays official news releases and presentations made to institutional investors/Analysts	No
Whether MD & A is a part of Annual Report	Yes
Whether shareholder information Section forms part of the Annual Report	Yes

## ONIDA SAKA LIMITED

### 7. Code of Conduct

The company has adopted "Code of Conduct" for the directors and senior executives of the company. The declaration given by chairman of the Board of Directors of the company with respect to affirmation of compliance of code by the Board members of the company is enclosed as annexure "A"

### 8. General Shareholder Information

#### i) Mr S. C. Rustagi

Mr S. C. Rustagi is retiring by rotation and being eligible has offered himself for reappointment at the ensuing annual general meeting. He is a graduate in Commerce from Agra University and has more than 23 years of experience in Finance, Accounts and Administration departments of Onida group of companies. He does not hold directorship or membership of any committee in any other company. Mr S. C. Rustagi has also held the position of DY General Manager (Accounts) in Onida Saka Limited till 2007. Mr Rustagi holds 500 shares in the company.

#### ii) Annual General Meeting

Date and Time : 23rd day of September, 2011 at 9:00 A.M.  
Venue : H-4, Ansal Villa, Satbari, Chattarpur, New Delhi

#### iii) Financial Calendar

Results for the quarter ending June 30, 2011 : Second week of August, 2011  
Results for the quarter ending September 30, 2011 : Second week of November 2011  
Results for the quarter ending December 31, 2011 : Second week of February, 2012  
Results for the quarter ending March 31, 2012 : Last week of May, 2012  
Annual General Meeting : September, 2012

#### iv) Book Closure Date

: September 19, 2011 to September 23, 2011 (both days inclusive)

#### v) Listing of Equity shares on Stock Exchange at

: Mumbai, Calcutta, Ahmedabad, New Delhi, Bangalore, Chennai

#### vi) Stock Code

: 517242 (BSE)

#### vii) Registrar and Share Transfer Agents

: Mas Services Limited  
T-34, II Floor, Okhla Industrial Area-II  
New Delhi - 110020

#### viii) Investors' queries / request for transfer, transmission, issue of duplicate share certificates etc., to be sent to Mas Services Limited at the above mentioned address

#### ix) Share Transfer System

The shares of the company are in demat form. The requests for Share Transfer in physical form can be lodged with the Registrar and Transfer Agent, Mas Services Limited at their address given above. To expedite the share transfer in physical segment the Share Transfer Committee of the Board of Directors is meeting at an interval of 15 days to approve the share transfers. The share transfers which are received in physical form are registered. The share certificates are returned in physical form with 30 days of lodgment. Shares under objection are in general returned within 7 days.

#### x) Stock Market Price Data

During the financial year 2010-11 there was no trading of shares of the company on any stock exchange. The company's shares have been suspended from trading on BSE. Therefore, high and low prices for the period cannot be given.

#### xi) Distribution of shareholding as on March 31, 2011

No. of Shares Slab	No. of Shareholders		No. of Shares	
	Number	%	Total	%
Upto 5000	31497	97.58	3974603	41.07
5001-10000	476	1.47	382590	3.95
10001-20000	200	0.62	272598	2.82
20001-30000	34	0.11	84095	0.87
30001-40000	14	0.04	47720	0.49
40001-50000	10	0.03	46995	0.49
50001-100000	19	0.06	140205	1.45
100001 & above	29	0.09	4727961	48.86
<b>Total</b>	<b>32279</b>	<b>100.00</b>	<b>9676767</b>	<b>100.00</b>

## **ONIDA SAKA LIMITED**

### **xiii) Categories of Shareholding as on March 31, 2011**

<b>S. No.</b>	<b>Category of Holder</b>	<b>No. of Shares</b>	<b>% of Equity</b>
1.	Promoters' Holdings	4206161	43.47
	Sub total	<b>4206161</b>	<b>43.47</b>
2.	Mutual Funds / UTI	4700	0.05
3.	Banks/Financial Institutions/ Insurance Companies (Central/State Govt. Institutions / Non Govt. Institutions)	29905	0.31
4.	FII's / GDR	-	-
	<b>Sub-Total</b>	<b>34605</b>	<b>0.36</b>
5.	Others		
	Private Corporate Bodies	613040	6.33
	Indian Public	4819961	49.81
	NRIs/OCBs/Foreign Company	3000	0.03
	<b>Sub - Total</b>	<b>5436001</b>	<b>56.17</b>
	<b>Total</b>	<b>9676767</b>	<b>100.00</b>

### **xiv) Outstanding GDR/ADRs/Warrants/Options**

There are no outstanding GDR/ADRs/Warrants/Options or any convertible instruments.

### **xv) Details on use of public funds obtained in the last three years.**

No funds have been raised from the public since 1992.

### **xvi) Compliance Officer and Contact Address**

S. C. Rustagi  
Director  
Onida Saka Limited  
A-19, B-1, Mohan Co-operative Industrial Estate  
Badarpur, New Delhi - 110 044

### **xvii) Nomination facility**

Pursuant to Companies (Amendment) Act, 1999, the members are allowed to nominate any person to whom they desirous of making / changing a nomination in respect of their shareholding in the company, are requested to submit to Mas Services Limited in the prescribed form 2B for this purpose, which can be furnished by Mas Services Limited on request.

On behalf of the Board of Directors

(B. P. Yadav)  
Director

(S. C. Rustagi)  
Director

Date: July 26, 2011

Place: New Delhi

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Industry overview**

Television Industry has been witnessing vast technological advances. While the industry is witnessing growth the margins are squeezing due to increased competition.

**Opportunities and Threats**

The technology for advanced televisions is available from abroad but increased competition makes the foray into the market difficult as the margins have squeezed.

**Segment-wise or product-wise performance**

The company has closed its operations in 2004.

**Outlook**

The company will assess the industry environment and decided the future course of action.

**Risk and Concerns**

The company was one of the pioneers in the industry. However, declined profits due to increase completion and higher input costs forced the company to close its operations in 2004..

**Financial performance with respect to operational performance**

There were no operations during the financial year 2010-11

**Human Development in Human Resources/Industrial Relations**

The company has closed its operations and did not have any employee during the year under review.

**Internal Control System and their adequacy**

There are adequate internal control systems commensurate with the size of the company and nature of its business.

**Contingent Liabilities**

Details of the company's contingent liabilities are given in note B(1) of schedule 10 of the Annual Accounts annexed.

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**DECLARATION**

As required under clause 49 of the Listing Agreement with stock exchanges, the board members and have affirmed compliance with the Code of Conduct for the year ended March 31, 2011.

**B. P. Yadav**  
**Director**

July 26, 2011  
New Delhi

## **ONIDA SAKA LIMITED**

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### **Auditors' Report to the Members of the Company**

#### **To the Members of ONIDA SAKA LIMITED**

1. We have audited the attached balance sheet of **Onida Saka Limited**, as at 31st March 2011, the profit and loss account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to above, we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - iii) The balance sheet and profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
  - v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi) We further report that impact of our observation given in note no. 2 ,6 & 7 given in schedule 9 cannot be ascertained at this stage;**
  - vii) In our opinion and to the best of our information and according to the explanations given to us the accounts read with the accounting policies and notes given in Schedule 9 and **subject to note no.2 regarding provision for Doubtful Debts & advances , note no. 6 regarding investment and note no.7 regarding basis of preparation of Accounts** gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in view in conformity with the accounting principles generally accepted in India:
    - i) In case of the Balance Sheet, of the State of affairs of the company as at 31st March, 2011 , and
    - ii) In the case of the Profit and Loss Account of the loss for the year ended on that date.
    - iii) In the case of cash flow statement, of the cash flow for the year ended on that date.

**For J. L. GARG & CO.,  
Chartered Accountants**

**Place: New Delhi  
Dated: 31.05.2011**

**Lalit Goel  
Partner  
M.No. 091100**

## **ONIDA SAKA LIMITED**

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### **Annexure to the Auditors' Report**

#### **Refereed to in paragraph 3 of our report of even date**

- (i) The company does not have any fixed assets.
- (ii) The company does not have any inventory at the end of the year.
- (iii) The company has not either taken any loan nor granted any loan from / to companies or firms covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size, of the company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods & services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements refer to in section 301 of the Companies Act, 1956 have entered in the register required to be maintained under that section, if any;
- (vi) The company has not accepted any deposits from the public under section 58A, 58AA or any other relevant provisions of Companies Act, 1961.
- (vii) The Company is not maintaining any cost records under section 209(1)(d) of the Companies Act, 1956 as no manufacturing activities have been carried out during the year.
- (viii) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.  
  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.3.2011 for period of more than six months from the date they became payable.  
  
c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax and cess which have not been deposited on account of any dispute. However, according to the records of the company and the information and explanations given to us, the following are the particulars of disputed dues on account of excise duty which has not been deposited.

<b>Name of Statue</b>	<b>Nature of dues</b>	<b>Amount (Rs. in Lacs)</b>	<b>Financial year to which relates</b>	<b>Forum where pending</b>
Central Excise Laws	Excise duty - Differential Duty, Interest and Penalty	89.06 lacs	1998-99 & June 1994-Aug. 1996	CESTAT

## ***ONIDA SAKA LIMITED***

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- (x) a) The company has incurred cash loss during the financial year covered by our audit but there was no cash loss in the immediately preceding financial year. The accumulated losses at the end of the financial year are more than the 50% of its net worth.
- b) The Company has eroded its paid up capital and reserves. As per legal opinion taken by the company, it is not a Sick Industrial Company with in the meaning of clause (O) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment), Order 2004, are not applicable to the company.
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company does not have any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not used funds raised on long term basis for short-term investment. The company has not raised any short-term funds.
- (xviii) According to the information and explanations given to us, the company has not made any Allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures.
- (xx) The Company has not raised any money by way of Public Issue during the year.
- (xxi) According to the information and explanations given to us and on the basis of examination of records, no material fraud on or by the company has been noticed or reported during the course of our audit.

**For J.L.Garg & Co.,  
Chartered Accountants**

**Lalit Goel  
Partner  
M.No.091100  
Place:New Delhi  
Date: 31.05.2011**



# ONIDA SAKA LIMITED

## BALANCE SHEET

AS AT 31ST MARCH, 2011

	Schedule	As at 31st March 2011 (Rupees)	As at 31st March, 2010 (Rupees)
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	1	96,767,670	96,767,670
		<u>96,767,670</u>	<u>96,767,670</u>
<b>Total</b>		<u>96,767,670</u>	<u>96,767,670</u>
<b>APPLICATION OF FUNDS</b>			
Investments	2	-	-
Current Assets, Loans & Advances			
Sundry Debtors			
Cash & Bank Balances	3	68,075	131,527
Loans & Advances	4	<u>12,798,610</u>	<u>13,198,611</u>
		<u>12,866,685</u>	<u>13,330,138</u>
Less : Current Liabilities & Provisions	5	<u>32,244,171</u>	<u>32,431,117</u>
		(19,377,486)	(19,100,979)
Profit and Loss Account		<u>116,145,156</u>	<u>115,868,649</u>
<b>Total</b>		<u>96,767,670</u>	<u>96,767,670</u>
Accounting Policies, Notes & Additional information	9		

As per our report of even date.  
For J.L.Garg & Co.,  
Chartered Accountants

For and on behalf of the Board

Lalit Goel  
Partner  
M.No.091100  
FNR : 0044730N  
Place: New Delhi  
Date : 31.05.2011

S. C. Rustagi  
Director

B. P. Yadav  
Director

## ONIDA SAKA LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	As at 31st March 2011 (Rupees)	As at 31st March, 2010 (Rupees)
<b>INCOME</b>			
Sales and other income	6	720	13,000
<b>Total</b>		<b>720</b>	<b>13,000</b>
<b>EXPENDITURE</b>			
Finance charges	7	100	454
Other Expenses	8	277,127	334,276
		<b>277,227</b>	<b>334,730</b>
(Less)/Add: (Accretion)/Decretion in Stocks		-	-
<b>Total</b>		<b>277,227</b>	<b>334,730</b>
<b>Profit / (Loss) Before Tax</b>		<b>(276,507)</b>	<b>(321,730)</b>
Provision for Tax :			
Provision of Income Tax		-	-
<b>Profit / (Loss) After Tax</b>		<b>(276,507)</b>	<b>(321,730)</b>
Less: Excess Provision Written back		-	-
		<b>(276,507)</b>	<b>(321,730)</b>
Add : Loss as per last balance sheet		<b>(115,868,649)</b>	<b>(115,546,919)</b>
Balance carried over to the Balance Sheet		<b>(116,145,156)</b>	<b>(115,868,649)</b>

Accounting Policies, Notes & Additional information 9

As per our report of even date.  
For J.L.Garg & Co.,  
Chartered Accountants

For and on behalf of the Board

Lalit Goel  
Partner  
M.No.091100  
FNR : 0044730N  
Place: New Delhi  
Date : 31.05.2011

S. C. Rustagi  
Director

B. P. Yadav  
Director

# ONIDA SAKA LIMITED

## SCHEDULES TO ACCOUNTS

	As at 31st March 2011 (Rupees)	As at 31st March, 2010 (Rupees)
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
1,50,00,000 (1,50,00,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
2,50,00,000 (2,50,00,000) Unclassified Shares of Rs. 10/- each	250,000,000	250,000,000
<b>Total</b>	<b>400,000,000</b>	<b>400,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
96,76,767 (96,76,767) Equity Shares of Rs. 10/- each fully paid-up	96,767,670	96,767,670
<b>Total</b>	<b>96,767,670</b>	<b>96,767,670</b>
<b>2. INVESTMENTS (AT COST)</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>OTHERS</b>		
Unquoted		
i) 350000 (350000) Equity Shares of Rs. 10/- each of Onida Finance Limited (Fully paid up) (See Note No. 8)	3,500,000	3,500,000
ii) 10001 (10001) Equity Shares of Rs. 10/- each of Onida International Limited (Fully paid up)	100,010	100,010
iii) 980000 (980000) Equity Shares of Rs. 10/- each of OFL Capital Corporation Limited (Fully paid up)	9,800,000	9,800,000
	<b>13,400,010</b>	13,400,010
Less : provision for diminution in value of investments	<b>13,400,010</b>	13,400,010
<b>Total</b>	<b>-</b>	<b>-</b>
<b>COST OF UNQUOTED INVESTMENTS</b>	<b>9,900,000</b>	9,900,000
<b>3. CASH AND BANK BALANCES</b>		
Cash Balance on hand	-	1
Balances with Scheduled Banks:		
Current Accounts	27,149	90,600
Fixed Deposits with banks	40,926	40,926
<b>Total</b>	<b>68,075</b>	<b>131,527</b>

## **ONIDA SAKA LIMITED**

### **SCHEDULES TO ACCOUNTS**

	<b>As at 31st March 2011 (Rupees)</b>	<b>As at 31st March, 2010 (Rupees)</b>
<b>4. LOANS AND ADVANCES</b>		
(Unsecured - considered good)		
Advances Recoverable in cash or in kind or for value to be received ( See Note No. 2 )	<b>12,643,817</b>	12,643,817
Security Deposits	<b>99,084</b>	99,084
Interest Accrued on Fixed Deposit	<b>30,395</b>	30,396
Advance Tax/Tax deducted at source	<b>25,314</b>	425,314
<b>Total</b>	<b>12,798,610</b>	<b>13,198,611</b>
<b>5. CURRENT LIABILITIES &amp; PROVISIONS</b>		
Advances from customers	<b>26,787,081</b>	<b>26,612,081</b>
Sundry Creditors		
- Raw Material	<b>2,200,486</b>	<b>3,965,363</b>
- Others	<b>3,256,604</b>	<b>1,453,673</b>
	<b>32,244,171</b>	32,031,117
Provision		
- For Income Tax	-	400,000
<b>Total</b>	<b>32,244,171</b>	<b>32,431,117</b>
	<b>Year ended 31st March 2011 (Rupees)</b>	<b>Year ended 31st March, 2010 (Rupees)</b>
<b>6. OTHER INCOME</b>		
Interest received	-	3,000
Miscellaneous Income	<b>720</b>	10,000
<b>Total</b>	<b>720</b>	<b>13,000</b>
<b>7. FINANCE CHARGES</b>		
Bank Charges	<b>100</b>	454
<b>Total</b>	<b>100</b>	<b>454</b>
<b>8. OTHER EXPENSES</b>		
Rent,	<b>60,000</b>	60,000
Rates and Taxes	<b>264</b>	15,948
Audit Fee	<b>33,090</b>	33,090
Printing & Stationery	<b>17,705</b>	68,417
Travelling and Conveyance	<b>36,510</b>	61,548
Legal & Professional	<b>83,408</b>	82,298
Miscellaneous Expenses	<b>46,150</b>	12,975
<b>Total</b>	<b>277,127</b>	<b>334,276</b>

**SCHEDULES TO ACCOUNTS**

**9. ACCOUNTING POLICIES, NOTES AND ADDITIONAL INFORMATION**

**(A) ACCOUNTING POLICIES**

**(1) BASIS OF ACCOUNTING**

- The accounts are prepared under the historical cost convention on accrual basis.

**(2) EXCISE DUTY**

- Sales are inclusive of excise duty.
- Credit of 'CENVAT' availed is adjusted towards cost of materials.

**(3) DEPRECIATION**

- No Depreciation has been charged since company does not have any Assets during the year.

**(4) INVESTMENTS**

- Investments held by the company are stated at cost less permanent diminution in value

**(5) CLAIMS**

- Claims are accounted for on accrual basis / final settlement.

**(6) RETIREMENT BENEFITS**

- Since there is no employee at the year end the provisions regarding retirement benefits are not applicable.

**(7) TAXATION**

- Deferred Tax is a recognized subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward losses unless there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(B) NOTES FORMING PART OF ACCOUNTS**

**1 CONTINGENT LIABILITIES IN RESPECT OF :**

Matters pending with Excise Authorities Rs. 89,05,740/- (Rs.89,05,740/-)

**2. PROVISIONS FOR DOUBTFUL DEBTS AND ADVANC ES**

- Balances grouped under Sundry Creditors, Advances received from customers and Advance recoverable are under reconciliation and subject to confirmation from respective parties. The final adjustment, if any, shall be made on reconciliation of the same. The impact, if any, on the Profit for the year cannot be ascertained at this stage.
- Advances recoverable include an amount of Rs. 121.31 lacs due from corporate companies for which no provision has been made as the confirmation of balances from the parties are on record. However, as per analysis of their net worth as per financial statements available, the amounts are doubtful of recovery.

## **ONIDA SAKA LIMITED**

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### **3. LIABILITIES AND ASSETS**

In the opinion of the Board of Directors the aggregate value of current assets, loans and advances on realization in ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

### **4. FIXED DEPOSITS**

Fixed Deposits with banks amounting to Rs.40,927/- (Rs.40,927/-) are under lien with Banks.

### **5. AUDITORS' REMUNERATION**

Auditor's Remuneration grouped under miscellaneous expenses is as under:

	<b>Current Year</b>	<b>Previous Year</b>
Audit Fee (Including Service Tax @ 10.30% )	33,090	33,090
	----- <b>33,090</b> -----	----- <b>33,090</b> -----

### **6. INVESTMENTS**

Investment includes 3,50,000 (3,50,000) Equity Shares of Onida Finance Ltd. which has been wound up by High Court on 23.01.2004 under the provisions of Companies Act, 1956. OFL is under liquidation and there is no chance of any recovery out of said Investment in OFL.

### **7. DISCONTINUATION OF BUSINESS**

The company has closed down its manufacturing operations with effect from 20.7.2004 under section 6 W to be read with 6 V of U.P. Industrial Disputes Act, 1947. The accounts have been prepared as a going concern inspite of the fact the company has closed down its manufacturing operations and its entire net worth has been eroded.

### **8. DUES OUTSTANDING TO SMALL SCALE UNITS**

No amount is due to Micro Enterprise, Small enterprise & Medium enterprise under micro enterprise small enterprise & medium enterprise development act 2006.

### **9. DEFERRED TAX**

The company has carry forward business loss and expenses allowable on payment available for set off under Income Tax Act, 1961. The company has closed its manufacturing operations and as such, there is uncertainty regarding generation of sufficient taxable income. In the view of this, the deferred tax asset including related credits for the year end have not been recognized in the accounts on prudent basis and the deferred tax asset/liability, which was recognized in earlier year, has been written off/written back at the end of the year.

### **10. RELATED PARTY DISCLOSURES**

Information as required by Accounting Standard (AS) -18 Related Party disclosure issued by the Institute of Chartered Accountants of India is as follows:

List of related parties:

#### **A. Associate Companies:**

- (i) OFL Capital Corporation Limited
- (ii) Monica Electronics Limited
- (iii) Akasaka Electronics Limited

#### **B. Key Management Personnel & Relatives :**

- (i) Mr. S C.Rustagi
- (ii) Mr. B.P.Yadav
- (iii) Mr. V. K.Gupta
- (iv) Mrs. Chandra Nithyanand

## ONIDA SAKA LIMITED

Particulars	Associate Company	Key Management Personnel	Relative of Key Management	Enterprises over which any person in column 2 & 3 is able to exercise significant influence	Total
Advances	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Remuneration/ Sitting Fee	-	-	-	-	-
	(-)	<b>10,000</b> (10,000)	(-)	(-)	<b>10,000</b> (10,000)
<b>Outstanding as on 31.03.2011</b>					
Advance to party	<b>82,54,000/-</b> (82,54,000/-)	- (-)	- (-)	- (-)	<b>82,54,000/-</b> (82,54,000/-)
<b>Total</b>	<b>82,54,000/-</b> (82,54,000/-)	- (-)	- (-)	- (-)	<b>82,54,000/-</b> (82,54,000/-)

### 11. SEGMENT REPORTING

The company is exclusively engaged in the business of electronic products, which is considered as the only reportable segment referred to in statement on Accounting Standard (AS)-17 for the "Segmental Reporting". The geographical segmentation is not relevant, as there is no export.

### 12. EARNING PER SHARE (EPS)

	Current Year	Previous Year
a) Weighted average number of shares at the beginning and end of the year	96,76,767	96,76,767
b) Net Profit/(Loss) after Tax available for Equity Shareholders	(276507)	(321730)
c) Basic and diluted earning per share	(0.02)	(0.03)

### 13. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / rearranged wherever necessary.

## ONIDA SAKA LIMITED

### D CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

Pursuant to clause 32 of the listing agreement(s) as amended

	Rs in lacs		Rs in lacs	
	31st March 2011		31st March 2010	
<b>A CASH FLOW FROM OPERATION ACTIVITIES</b>				
Net Loss before Tax and Extra-ordinary Items		(276,507)		(321,730)
<b>Add/(less): Adjustment for</b>				
Provision for tax				
Interest Income				
Interest Paid				
Prior Period Expenditure				
Taxes for earlier year			-	
Bad debts written off			-	
Debit Balances written off			-	
Provision for FBT			-	
		-		-
Operating profit/(loss) before Working Capital Changes		(276,507)		(321,730)
(Increase)/Decrease in Investments			-	
(Increase)/Decrease in Trade and their Resources			-	
(Increase)/Decrease in Loans & Advances		400,001		1,252
Increase/(Decrease) in Current Liabilities		(186,945)		92,877
Decrease in Fixed Assets			-	
Decrease in Inventories			-	
		213,056		94,129
		(63,451)		(227,601)
Interest Paid		-		-
<b>Cash Flow before extra ordinary items</b>		(63,451)		(227,601)
<b>(Net Cash Flow from Operating Activities)</b>				
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received		-		-
		(63,451)		(227,601)
Net Increase in Cash and Cash equivalent		(63,451)		(227,601)
Add Opening Balance of Cash and Cash equivalent		131,527		359,128
Closing Balance Cash and Cash equivalent		68,076		131,527

Schedules (1) to (10) form integral part of the accounts and have been duly authenticated.

As per our report of even date.

For J.L.Garg & Co.,  
Chartered Accountants

For and on behalf of the Board

Lalit Goel  
Partner  
M.No.091100  
FNR : 0044730N  
Place: New Delhi  
Date : 31.05.2011

S. C. Rustagi  
Director

B. P. Yadav  
Director



## ONIDA SAKA LIMITED

### PART-IV OF SCHEDULE VI OF COMPANIES ACT, 1956 (AS AMENDED) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i) Registration Details			
Registration No.	12700	State Code	55
Balance Sheet Date	31	03	2011
ii) Capital raised during the year			
	Public Issue	Private Issue	
	Nil	Nil	
iii) Position of Mobilisation and Deployed of Funds (Amount in 000)			
	Total Liabilities	(Amount in R. Thousands) Total Assets	
	96767	96767	
Sources of Funds			
	Paid Up Capital	Reserve & Surplus	
	96767	Nil	
	Secured Loan	Unsecured Loan	
	NIL	NIL	
Application of Funds			
	Net Fixed Assets	Investment	
	NIL	NIL	
	Net Current Assets	Misc. Expenditure	
	19377	NIL	
	Accumulated Losses		
	116145		
iv) Performance of Company			
	TurnOver (Gross Revenue)	(Amount in Rs. Thousands) Total Expenditure	
	1	277	
	Loss before tax	Loss after tax	
	276	276	
	Earning per share	Dividend rate %	
	0.03	NIL	
v) Generic Name of Three Principal Products/Service of Company			
Item Code No. (ICT Code)	8528.2200		
Product Description	B&W Television Receiver		
Item Code No. (ICT Code)	8528.120		
Product Description	Colour Television Receiver		
Item Code No. (ICT Code)	85340000.20		
Product Description	Printed Circuit Board		

## ONIDA SAKA LIMITED

A-19, B-1, Mohan Co-operative Industrial Estate,  
Mathura Road, Badarpur, New Delhi - 110044

### PROXY FORM

Folio No. 1	
-------------	--

No. of Shares held	
--------------------	--

I / We \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member / members of the above named  
company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ as my / our proxy to vote for me/up on my/our behalf at  
the 29th Annual General Meeting of the company to be held at H-4, Ansal Villa Satbar, Chatarpur, New Delhi,  
on Friday 23th day of September, 2011 at 9.00 a.m. or any adjustment there of.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Note : Proxy in order to be effective must be received by the company at its.  
Registered Office not less than 48 hours before the meeting.

Affix a Re. 1/- Revenue Stamp
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## ONIDA SAKA LIMITED

A-19, B-1, Mohan Co-operative Industrial Estate,  
Mathura Road, Badarpur, New Delhi - 110044

### ATTENDANCE FORM

Folio No. 1	
-------------	--

No. of Shares held	
--------------------	--

SHAREHOLDERS ATTENDING THE MEETING IN PERSON OR BY PROXY ARE REQUIRED TO COMPLETE  
THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING PLACE.

I hereby record my presence at the 29th annual general meeting of the company to be held at H-4, Ansal  
Villa Satbar, Chatarpur, New Delhi on Friday 23th day of September, 2011 at 9.00 a.m.

Full Name of the Shareholder \_\_\_\_\_  
(in block letters)

Full Name of Proxy \_\_\_\_\_  
(in block letters)

\* Strike out whichever is not applicable

Signature of  
Shareholder/Proxy/Authorised Representative\*

**MEMBER MAY PLEASE NOTE THAT NO GIFTS / GIFT COUPONS WILL BE DISTRIBUTED AT THE MEETING**