

ANNUAL REPORT
1999 - 2000



ONIDA SAKA
L I M I T E D

MANAGEMENT TEAM

BOARD OF DIRECTORS

S.C. Garg
N.K. Shinghal
V.K. Gupta

EXECUTIVES

Vijay Joshi, Chief Executive
S.C. Rustagi, Dy. General Manager (F)
Sunil Bhatia, Company Secretary

Auditors

J. L. Garg & Co.
Chartered Accountants,
102, Skylink,
E-588, Greater Kailash-II,
New Delhi-110 048

Registered Office

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

WORKS/DIVISIONS

Pithampur (M.P.)
Noida, Phase II (U.P.)

Bankers

State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of Patiala

Share Transfer Agent

Allied Computer Technics Pvt. Ltd.,
Flat No. 18, Local Shopping Centre
Block 'A', Naraina,
New Delhi-110 028.

NOTICE

NOTICE is hereby given that the eighteenth annual general meeting of the members of ONIDA SAKA LIMITED will be held on Thursday, the 28th day of September, 2000 at 10:00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2000 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 V.K. Gupta, 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.

SPECIAL BUSINESS

4. To consider and if thought fit, pass with or without modification(s) the following as an ordinary resolution:

RESOLVED THAT subject to the provisions of section 257 of the Companies Act, 1956 and article 118 of the articles of association of the company, Mr S.C. Garg, who was appointed as an additional director be and is hereby appointed as a director of the company whose period of office will be liable to determination by retirement by rotation.

5. To consider and, if thought fit, to pass with or without modifications(s), the following resolution as a special resolution:

RESOLVED THAT pursuant to the provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below:

- a. *Article 2 of the Articles of Association shall include the following definitions at the appropriate places:*

"Beneficial Owner"	"Beneficial Owner" shall mean beneficial owner as defined under clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
"Depository"	"Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
"Depositories Act, 1996"	"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof for the time being in force.
"Securities and Exchange Board of India"	"Securities and Exchange Board of India" means Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
"Member"	"Member" means the duly registered holder, from time to time, of the shares of the Company and includes every person whose name is entered as a beneficial owner in the records of the depository.
"Record"	"Record" includes the records maintained in the form of books or stored in a computer or in such other form or medium as may be determined by regulations made by the SEBI Board.
"Regulations"	"Regulations" mean the regulations made by the SEBI Board.
"Security"	"Security" means such security as may be specified by the SEBI Board.

- b) To introduce the following as the last paras to Article 2

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meanings respectively assigned to them in the Depositories Act, 1996.

- c) After Article 10 the following Articles shall be inserted as Article 10A to Article 10K:

Dematerialisation of Securities

- 10A Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.

Rights and Obligations to be governed by the Depositories Act 1996

- 10B Either on the Company or on the investor exercising an option to hold his securities with a Depository in a dematerialised form, the Company shall enter into an agreement with the Depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

Option to receive security certificates or hold securities with Depository

- 10C Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a Depository. Where a person opts to hold a security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its Record the name of the allottee as the beneficial Owner of such Security.

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Securities in Depository to be in a fungible form

- 10D All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owner.

Rights of Depository and Beneficial Owner

- 10E (i) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (ii) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (iii) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

Depository to furnish information

- 10F Every Depository shall furnish to the Company information regarding the transfer of Securities in the name of the Beneficial Owners at such intervals and in such a manner as may be specified by the bye-laws and the Company in that behalf.

Option to opt out in respect of any security

- 10G If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall, on receipt of an intimation as above, make appropriate entries in its Records and shall inform the Company.

The Company shall, within thirty days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the Beneficial Owner or the transferee, as the case may be.

Sections 83 and 108 of the Act not to apply

- 10H Notwithstanding anything to the contrary contained in the Articles :
- (i) Section 83 of the Act shall not apply to the shares held with a Depository.
- (ii) Section 108 of the Act shall not apply to a transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

Service of documents

- 10I Notwithstanding anything contained in the Act or these Articles, where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or diskettes.

Allotment of securities dealt within a Depository

- 10J Notwithstanding anything contained in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on the allotment of such securities.

Distinctive numbers of securities held with a Depository

- 10K Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company Depository shall apply to Securities held with a Depository.

Register and Index of Beneficial Owners

- 10L The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of the Act and of these Articles.

- d. Article 12 shall be deleted and in its place the following new Article 12 shall be substituted :

Register and Index of Members

- 12 The Company shall keep a Register and Index of Members in accordance with Section 150 and 151 of the Act, and the Depositories Act, 1996 with details of shares held in material and dematerialised form in any media as may be permitted by law including any form of electronic media. The Register and Index of Members of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of members resident in that state or country.

- e. After Article 12, the following Articles will be inserted as Article 12A and 12B:

Power to Company to dematerialise and rematerialise

- 12A The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its

shares, debentures and other securities held in the Depositories and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

Specific beneficial provisions of Companies Act, 1956 not to apply

12B In respect of the shares, debentures and securities held by Depository on behalf of the beneficial owners as defined in the Depositories Act, 1996, the provisions of Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall not apply.

- f. Article 13 shall be deleted and in its place the following new Article 13 shall be substituted :

Shares to be numbered progressively and no share to be sub-divided

13 The shares in the capital be numbered progressively according to their several denominations provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in dematerialised form. Except in the manner mentioned hereinabove, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

- g. In Article 20(a) after the words, "indicating the date of issue" the following words shall be added :

"provided however, no share certificate(s) shall be issued for shares held by a Depository."

- h. Article 23 shall be deleted and in its place the following new Article 23 shall be substituted :

Company not bound to recognise any interest in share other than that of registered holder or beneficial owner

23 Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the beneficial owner of shares in the record of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall however express or implied notice thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

- i. In Article 51 after the words "transmission of any share" the following words be added :

"including the shares held in material form"

- j. After the Article 51 the following Article shall be inserted as Article 51A:

Shares held in electronic and fungible form

51A In case of transfer of shares, debentures or other securities where the Company has not issued any certificate and where such shares or debentures or securities are being held in an electronic and fungible form, the provisions of Depositories Act, 1996 shall apply.

- k. In Article 52 after the words "section 108 of the Act" the following words shall be added:

"except in case of transfer of Securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of the Company"

- l. Article 71 of the Articles of Association shall be substituted as follows:

Register and Index of the Debenture Holders

71 The Company shall, if at any time issues debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act and the Depositories Act, 1996. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Debenture holders for the purpose of this Act. The Company shall have the power to keep in any State or country outside india a branch Register of Debenture holders resident in that state or country.

- m. In Article 192 of the Articles of Association, after the words "or by leaving it at the office" the following words shall be added:

"provided that where the securities are held in a depository, the records of the beneficial ownership may be served by such depositories on the company by means of electronic mode or by delivery of depository floppies or diskettes."

6. To consider and, if thought fit, to pass with or without modifications(s), the following resolution as a special resolution:

RESOLVED THAT subject to the provisions of section 17 of the Companies Act, 1956 and subject to the confirmation of the Company Law Board, the registered of the company be shifted from NCT of Delhi to Noida, Distt Gautam Budh Nagar in the state of Uttar Pradesh and clause II of the Memorandum of Association of the company be altered by substituting the words 'Union Territory of Delhi' by 'state of Uttar Pradesh'.

By order of the Board

SUNIL BHATIA
Company Secretary

Noida, 31st July, 2000

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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 26th September, 2000 to 28th September, 2000 (both days inclusive).
3. It will be appreciated that queries, if any, on accounts and operation 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 hall.
5. The explanatory statement pursuant to section 173(2) is appended.

EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

Item No. 4

Mr S.C. Garg was appointed as an additional director of the company by the Board of Directors on 14.9.1999 under section 260 of the Companies Act, 1956 and article 118 of the articles of association of the company. Accordingly, he holds office up to the date of ensuing annual general meeting. The company has received a notice from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr S.C. Garg for the office of the director. The Board considers it desirable that company should continue to avail itself of his services. The board recommend the passing of the resolution.

None of the directors except Mr S.C. Garg is interested in the resolution.

Item No. 5

With the commencement of Depository services provided by National Securities Depository Ltd. and Central Depository Services Ltd. many Companies have opted to dematerialise their shares. With a view to provide benefits of the depository system to the investors and shareholders, the Board of directors may in future propose to voluntarily get the equity shares of the Company admitted into the Depository system.

Some of the provisions of the Articles of Association of the Company relating to the issue, transfer/transmission, dealing in shares etc., are proposed to be amended to confirm to the requirements of the Depositories Act, 1996.

Article of Association of the Company referred to in the resolution at Item 5 together with the proposed alteration are available for inspection for the shareholders at the Company's Registered Office during business hours on any working days.

None of the Directors of the company is concerned or interested in the aforesaid resolution, except as a shareholder.

The directors recommend passing of the resolution.

Item No. 6

The registered office of the company is at present situated at A-19 B-1 Extn., Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044. The plant of the company, however is situated at A-2, Phase-II, Noida, Distt Gautam Budh Nagar, Uttar Pradesh. All the manufacturing facilities are being carried out from Noida. For the company Noida is the hub where, besides the works, all the other administrative functions, production & sales activities of the company are being carried out. All the senior executives of the company are operating from Noida. It is, therefore, considered desirable to shift the registered office of the company from New Delhi to Noida, so as to be able to carry on the business of the company more efficiently, conveniently and economically.

The Board of Directors propose that in order to carry on business more efficiently, conveniently and economically and that in order to have a better control over activities of the company, it would be appropriate to shift the place of the registered office of the company from New Delhi to Noida in the State of Uttar Pradesh. The proposed resolution is submitted for the approval of the shareholders.

Under section 17 of the Companies Act, 1956 the change in place of the registered office of the company requires the approval of the shareholders by means of a special resolution and confirmation of the Company Law Board.

A copy of the Memorandum of Association of the company is available for inspection on all working days during the working hours at the registered office of the company.

None of the Directors of the company is concerned or interested in the aforesaid resolution, except as a shareholder.

The directors recommend passing of the resolution.

By order of the Board

Noida, 31st July, 2000

SUNIL BHATIA
Company Secretary