

ONIDA SAKA LIMITED

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ANNUAL REPORT
2000 - 01

MANAGEMENT TEAM

BOARD OF DIRECTORS

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

EXECUTIVES

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.

ONIDA SAKA LIMITED

NOTICE

NOTICE is hereby given that the nineteenth annual general meeting of the members of ONIDA SAKA LIMITED will be held on Thursday, the 13th day of September, 2001 at 9:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110 010 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2001 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 N. K. Shinghal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s J.L. Garg & Co., Chartered Accountants, as the 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 authorise the Board of Directors to fix their remuneration.

By order of the Board

Date : 30th July, 2001
Place : Noida

SUNIL BHATIA
Company Secretary

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. Pursuant to the provision of the section 205A of the Companies Act 1956, as amended, dividend for the financial year ended 31st March 1995 which remains unpaid or unclaimed for a period 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year 31st March 1995 are requested to make their claim to the registered office of the company. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie in respect thereof.
3. The register of members and share transfer books of the company will remain closed from 1st September, 2001 to 13th September, 2001 (both days inclusive).
4. 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.
5. 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.

DIRECTORS' REPORT**TO THE MEMBERS**

The Directors submit their report and accounts for the financial year 2000-01.

OPERATIONS

During the financial year 2000-01, the sales and other income of the company was Rs. 2981 lacs while the profit after tax stood at Rs.24.67 lacs as against sales and other income of Rs.4345 lacs and profit after tax of Rs.8.93 lacs in the previous year. In the financial year under review, the company produced 39,817 colour television sets as against 57,174 sets produced in the financial year 1999-2000. The performance of the company suffered during the year due to the general recession in the CTV industry and even more particularly, the downfall in demand of 14" CTVs, which the Company manufactures primarily. The price difference between 14" and 20" colour televisions being not very significant, the consumers are shifting their preference to 20" colour televisions, affecting the demand for 14" colour televisions.

FUTURE PROSPECTS

As part of measures to restructure the organisation and reduce costs, the following steps are being taken:

- i. Greater emphasis is being laid on manufacture of 20" colour television sets, and two new models, with latest advanced features, have also been introduced in 14" and 20" segments.
- ii. The possibilities of trading the black and white televisions are being explored.
- iii. Attractive voluntary retirement scheme has been offered to the workers and staff to rationalise and downsize the work force.

We are confident that these measures will go a long way in improving the overall performance of the company.

DIVIDEND

The Directors do not recommend any dividend.

AUDITOR'S REPORT

Auditors' observations are self-explanatory and/or explained suitably in the notes on accounts.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217(2A) of the Companies Act, 1956, your Directors, hereby, confirm the following:

- i. In the preparation of the annual accounts, except for creating ad-hoc partial provision of Rs. 25 lacs in terms of Accounting Standard-13 for valuation of investments, all applicable accounting standards have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made, so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit/ loss of the company for that period.
- 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 safeguarding 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 basis".

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. N.K. Shinghal, Director, retires by rotation and, being eligible, offers himself for re-appointment.

AUDITORS

The auditors M/s J.L. Garg & Co., Chartered Accountants, hold office till the ensuing annual general meeting and, being eligible, offer themselves for re-appointment.

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.

PERSONNEL

Climate of harmonious and cordial relations with the employees prevailed throughout the year.

ACKNOWLEDGEMENT

Your directors wish to thank the customers, dealers, banks, government authorities and shareholders for their continued support. They also wish to place on record their sincere appreciation of the devotion and dedicated efforts put in by the employees at all levels.

For and on behalf of the Board

(S.C. Garg)
DIRECTOR

(N.K. Shinghal)
DIRECTOR

Date: 30th July 2001

Place: Noida

ANNEXURE 'A' TO DIRECTORS' REPORT**1. CONSERVATION OF ENERGY****a. Energy conservation measures taken**

The operations of the company are not energy intensive. Adequate measures have been taken to reduce energy consumption.

b. Additional investments and proposals, if any, being implemented for reduction of energy.

The company is consistently in the process of identifying conservation area and optimising the use of energy through improved operational methods and systems.

c. Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.

The measures taken have resulted in lower energy consumption.

2. RESEARCH AND DEVELOPMENT**a. Specific areas in which R&D carried out by the company.**

The research and development activities of the company are directed towards improvement of quality, development of new models and upgradation of existing infrastructure.

b. Benefits derived as a result of above R&D

Improvement in range, quality and raw material efficiency.

c. Future plan of action.

Continuing upgradation of existing infrastructure, improvement in range and quality of product.

d. Expenditure on R&D

Charged under primary heads of accounts.

3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.**a. Efforts made towards technology absorption, adaptation and innovation.**

The company is using latest techniques for production.

b. Benefits derived as a result of above efforts.

Improved productivity, better quality and yield resulted into cost savings.

c. Particulars relating to improved technology.

Except for certain imported components, the company is not using any imported technology.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|---|-------------|
| a. Earnings | Nil |
| b. Outgo by way of import of raw material and other expenditure | 442.31 lacs |

AUDITORS' REPORT**TO THE MEMBERS OF
ONIDA SAKA LIMITED**

We have audited the attached Balance Sheet of **ONIDA SAKA LIMITED** as at 31st March, 2001 and also the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred in paragraph 1 above, we state that:
 - a) 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;
 - b) 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 the books;
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;
 - d) **In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 to the extent applicable except Accounting Standard AS-13, regarding Valuation of Investments;**
 - e) On the basis of the written representations received from the directors of the company as at 30.3.2001 and taken on record by the board of directors we report that no director is disqualified from being appointed as a director of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) **We report that had the observations made by us in note no. 8 given in schedule 19 been considered, the loss for the year would have been Rs. 78.63 lacs (as against the reported figure of profit before tax Rs. 27.17 lacs), accumulated losses would have been Rs. 611.93 lacs (as against the reported figure of Rs. 533.30 lacs). We further report that the impact of our observation given in note no. 2, 4(ii) and 5 given in schedule 19 cannot be ascertained at this stage;**
 - g) In our opinion and to the best of our information and according to the explanations given to us the accounts read with accounting policies and **subject to note no. 2 regarding confirmation of balances, no. 4(ii) regarding Debentures, no. 5 regarding stocks and no. 8 regarding valuation of investments** gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) In case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2001 and
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

For J.L. GARG & CO.
Chartered Accountants

Place: Noida
Dated: 16th June, 2001

AJAY RASTOGI
PARTNER

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies have been noticed by the management on such verifications.
2. None of the fixed assets of the Company has been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials, except material in transit have been physically verified by the management at the end of the financial year.

ONIDA SAKA LIMITED

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