



ONIDA SAKA LIMITED

Annual Report
2006-07



BOARD OF DIRECTORS

S.C. Rustagi – *Managing Director*
B.P. Yadav
Mrs. Chandra Nithyanand
V.K. Gupta

Company Secretary

Sunil Bhatia

Auditors

M/s J. L. Garg & Co.
Chartered Accountants,
103, 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

Share Transfer Agent

Mas Services Private Limited
AB-4, Safdarjung Enclave
New Delhi-110029

NOTICE

NOTICE is hereby given that the 25th annual general meeting of the members of the ONIDA SAKA LIMITED will be held on Tuesday, the 18th day of September, 2007 at 8:30 A.M. at Nawal Farms, Chandan Hulla, 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, 2007 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 B. P. Yadav, 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

New Delhi, June 29, 2007

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. The register of members and share transfer books of the company will remain closed from August 15, 2007 to August 18, 2007 (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.

DIRECTORS' REPORT**TO THE MEMBERS**

The directors submit their report and accounts for the financial year 2006-07

OPERATIONS

During the year ended March 31, 2007, the sales and other income were Rs. 960.97 lacs as against Rs. 55.67 lacs in the previous year ended 31st March 2006. The profit after tax for the period under review was Rs. 564.77 lacs as against loss of Rs. ~~47.47~~ lacs in the previous year.

DIVIDEND

The directors do not recommend any dividend.

SALE OF PROPERTIES

Pursuant to the resolutions passed by the shareholders through postal ballot the result of which was declared on July 7, 2006, the properties of the company located at Badarpur, New Delhi and Pithampur, Distt Dhar, Indore were sold during the year.

AUDITORS' REPORT

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

DIRECTORS' RESPONSIBILITIES STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the directors hereby confirm the following:

- 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 31.3.2007 and profit of the company for the year ended 31.3.2007
- 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 article 115 of Articles of Association of the company, Mr B. P. Yadav, Director retires by rotation and being eligible, offers himself for re-appointment.

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.

ACKNOWLEDGEMENT

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 suppliers and shareholders of the company.

For and on behalf of the Board of Directors

(S. C. Rustagi)
Managing Director

(B.P. Yadav)
Director

Date: June 29, 2007
Place: New Delhi

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.

Their 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.**

All 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.**

Not Applicable

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

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 Sundry Creditors, Advances from Customers and Advances recoverable are subject to confirmation from respective parties.

RESPONSE

The company has started the process of obtaining confirmation from the respective parties.

DIRECTORS' REPORT ON CORPORATE GOVERNANCE**1. Philosophy on Code of Corporate Governance**

Corporate Governance strengthens Investors trust and aims at attainment of the highest levels of transparency, accountability and equity in the functioning of company vis-à-vis interactions with employees, shareholders, creditors and its customers. A report on the implementation of the code of corporate governance introduced by SEBI and incorporated in the listing agreement is given below:

2. Board of Directors**i) Composition & Category**

The Board of Directors comprises of four members. Mr S. C. Rustagi is the Managing Director and the other three directors are non- executive. The chairman of the Board is non-executive director and 50% of the Board comprises of independent directors. As on 31.3.2007 the Board consists of the following directors:

Directors	Category
Mr. S. C. Rustagi (Managing Director)	Executive Director
Mr. B.P. Yadav (Chairman of the Board)	Independent & Non-Executive Director
Mrs. Chandra Nithyanand	Independent & Non-Executive Director
Mr. V K. Gupta	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. S. C. Rustagi	5	5	Yes
Mr. B. P. Yadav	5	5	Yes
Mrs Chandra Nithyanand	5	5	No
Mr. V. K. Gupta	5	0	No

Note:

- a) None of the directors is related to any other directors.
- b) During the year the Board of Directors of Onida Saka Limited met 5 times i.e. on May 23, 2006, June 29, 2006, July 29 2006, October 30, 2006 and January 29, 2007. The maximum gap between any two meetings was not more than four months. A detailed agenda is sent to each director in advance of Board and committee meetings.

3. Other Directorship/Membership and Committees of the Board

None of the directors holds any directorship in companies and membership and/or Chairmanship in committee of directors of companies other than Onida Saka Limited.

i) Audit Committee

The terms of reference of the Audit Committee cover the areas mentioned under clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Audit Committee comprises of :

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

During the year the committee met 5 times i.e. on May 23, 2006, June 29, 2006, July 29 2006, October 30, 2006 and January 29, 2007. The minutes of the Audit Committee were placed before the Board. The overall attendance of the directors was as under:

Members	Held during the tenure of Director	Meetings Attended
Mr. S. C. Rustagi	5	5
Mr. B. P. Yadav	4	5
Mrs. Chandra Nithyanand	5	5

ii) Remuneration Committee

The committee was formed to review and approve the remuneration package of Managing Director/Whole Time Director /sitting fees of non-executive directors of the company. During the year one meeting of the committee was held on May 23, 2006 and it was attended by Mr B. P. Yadav, Mrs Chandra Nithyanand and Mr V. K. Gupta who are members of the committee.

iii) Remuneration of Directors

The Managing Director is paid remuneration as per Schedule XIII of the Companies Act, 1956. Non-executive independent directors are paid the sitting fees for attending the Board / committee meetings within the limits prescribed under the Companies Act, 1956.

Directors	Positions	Sitting Fees	Salary & Perquisites	Commission	Total
Mr S. C. Rustagi	Managing Director	-	8,64,508	-	8,64,508
Mr B. P. Yadav	Director	10,000	-	-	10,000
Mrs Chandra Nithyanand	Director	-	-	-	-
Mr V. K. Gupta	Director	-	-	-	-

iv) Shareholders'/ Investors' Grievances & Share Transfer Committee

The Board of Directors of the company has constituted Shareholders'/ Investors' Grievances Committee. As on date it is being headed by Mr B.P. Yadav. Mr S. C. Rustagi and Mrs 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 financial year ended March 31, 2007 the company had received forty three new complaints from shareholders, investors, stock exchanges and SEBI. The company resolved forty nine complaints. As on 31.3.2007 no complaint was pending.

The Mr Sunil Bhatia, Company Secretary acts as the Compliance Officer.

Procedures at Committee Meetings

Company's 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 31.3.2007

Name	No. of Shares held
Mr S. C. Rustagi	500
Mr B. P. Yadav	0
Mrs Chandra Nithyanand	40
Mr V. K. Gupta	1160

4. Annual General Meetings

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

Year	Location	Date	Time
2003-04	E-22, Ansal Satbari, Chattarpur, New Delhi	September 1, 2004	9.30 A.M
2004-05	12, Executive Club Road, Chattarpur, New Delhi	September 22, 2005	9.30 A.M.
2005-06	Varun Farms, Gaushala Road, Satbari, Chattarpur, New Delhi	September 26, 2006	9.30 A.M.

During the year ended March 31, 2007 two resolutions regarding the sale of company's properties at GA-1, B-1, Extension, Mohan Co-operative Industrial Estate, Badarpur, New Delhi -110044 and S-4/1, Pithampur, Distt. Dhar, Indore were put to vote and carried with requisite majority.

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 non-payment of stock exchange fee for Mumbai, Delhi, Chennai, Ahmedabad, Bangalore 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	Business Standard/ 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

7. Code of Conduct

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

8. General Shareholder Information

- i) Mr B. P. Yadav is retiring by rotation and being eligible offers himself for re-appointment at the ensuing annual general meeting. Mr Yadav was born on 20.12.1958. He is a graduate in Arts. Mr Yadav has worked in Monica Electronics Limited. Later, he joined Koniva Advertising Private Limited. He has over 27 years of experience in Personnel and Administration. At present Mr Yadav is a real estate consultant. He is chairman of the Board of Directors and also holds chairmanship of three committees in Onida Saka Limited. He also holds directorship in Monica Electronics Limited. He does not hold any share in Onida Saka Limited.

ii) Annual General Meeting

Date and Time : Tuesday, September 18, 2007 at 8.30 A.M.
Venue : Nawal Farms, Chandan Hulla, Satbari, Chattarpur, New Delhi

iii) Financial Calendar

Results for the quarter ending June 30, 2007 : Last week of July, 2007
Results for the quarter ending September 30, 2007 : Last week of October, 2007
Results for the quarter ending December 31, 2007 : Last week of January, 2008
Results for the quarter ending March 31, 2008 : Last week of June, 2008
Annual General Meeting : September, 2008

- iv) Book Closure Date : 16th August 2007 to 18th August, 2007 (both days inclusive)

- v) Listing of Equity shares on Stock Exchange at : Mumbai , Calcutta, Ahmedabad, New Delhi, Chennai, Bangalore

- vi) Stock Code : 517242 (BSE)

- vii) Registrar and Share Transfer Agents : Mas Services Limited
AB-4, Safdarjung Enclave, New Delhi - 110 029